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BUSINESS WEEK

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Chairman O'Mahoney puts a question to steel industry in monopoly committee's big show.

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ALLIS-CHALMERS PUMP PAYS FOR ITSELF IN 8 MONTHS!

Northwest Paper Company Replaces Old Pump with New Allis-Chalmers Centrifugal Pump . . . Saves Its Cost in Eight Months! Find Out Why It Pays to Modernize with the Equipment that Pays for Itself!

Here's a sensational economy story that hits home to every plant executive who wants to get increased production . . . at less cost!

At the Northwest Paper Company plant in Brainerd, Minnesota, they were using an old belt-driven fan pump to handle $\frac{1}{2}$ of 1% stock. By actual test they found the old pump required 71 brake horsepower . . . a figure they realized was too high by modern standards.

And because they wanted to make the most savings possible . . . and be "set" for years to come . . . they put in an Allis-Chalmers Centrifugal Pump, connected to a 25-hp Lo-Maintenance Motor.

But the best news was yet to come. For when they made their tests on the new equipment, here's what they found . . .

Saves \$1,700 Per Year!

The new Allis-Chalmers Pump actually threw more stock and yet the test showed it required only 23 brake horsepower! Compared to 71 of the former pump, this means a saving of 48

brake horsepower . . . an actual dollars and cents saving of \$6.48 per day!

Measured in terms of long-time economy, the new unit paid for itself in eight months . . . and went right on piling up savings after that of better than \$1,700 a year . . . a clear-cut profit!

These are saving figures you can't afford to ignore. If you have old equipment in your plant . . . if you want to know how to replace that equipment with new units that pay their own way . . . you'll want to hear the Allis-Chalmers story.

For Allis-Chalmers equipment, with 90 years of experience back of it, is

Another true case history from the Allis-Chalmers files that proves "IT PAYS TO BUY THE EQUIPMENT THAT PAYS FOR ITSELF!"



INSTALLATION OF THIS ALLIS-Chalmers Centrifugal Pump with 25 hp Lo-Maintenance Motor, is bringing a savings of \$6.48 a day to the Northwest Paper Company! Read this interesting story of increased production and economy!

built to beat modern problems . . . make workers' jobs easier . . . add to your year's profits!

The trained engineer in the Allis-Chalmers district office near you will be glad to discuss your problems with you. Call him today. Or write to Allis-Chalmers, Milwaukee, Wisconsin.

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PRODUCTS ENGINEERED TO PAY FOR THEMSELVES

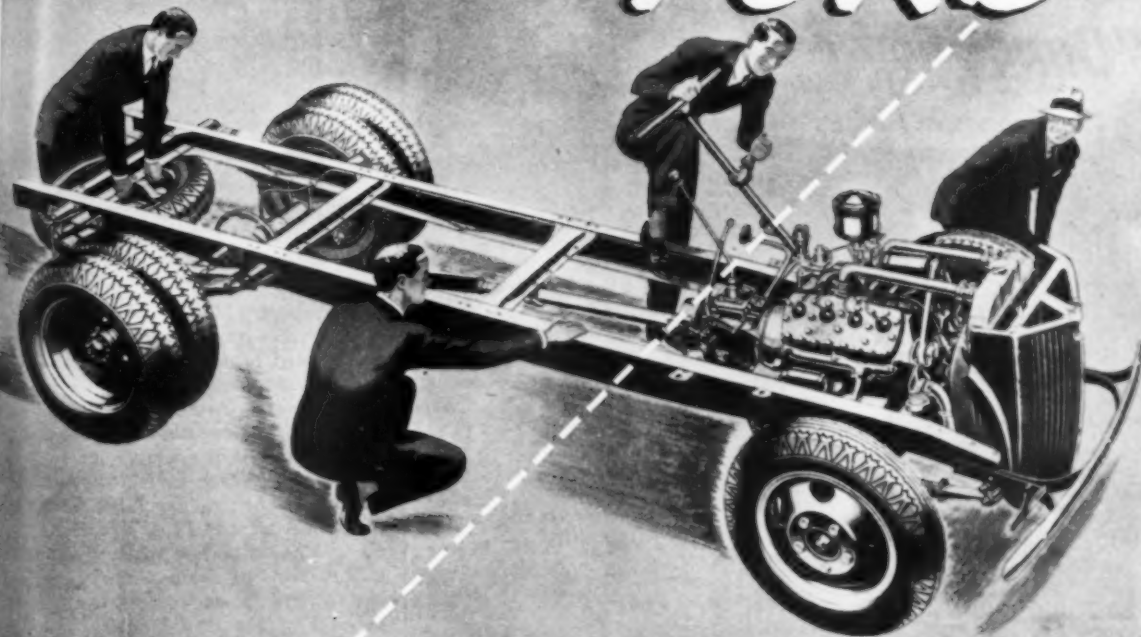
Electrical Equipment • Power Transmission Equipment • Steam and Hydraulic Turbines • Blowers and Compressors • Engines and Condensers • Centrifugal Pumps • Flour and Cereal Mill Equipment • Boiler Feedwater Treatment • Saw Mill and Timber Preserving Machinery • Crushing, Cement, and Mining Machinery • Power Farming Machinery • Industrial Tractors and Road Machinery



ALLIS-CHALMERS

MILWAUKEE • WISCONSIN

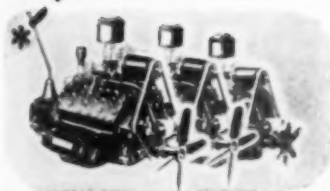
IF YOU'RE LOOKING FOR TRUCK FEATURES LOOK AT THE FORD*



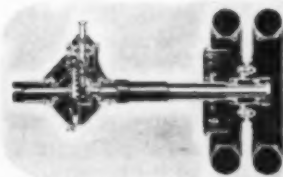
WHEN the Ford Motor Company speaks of truck features, it doesn't mean "gadgets." Ford features are outstanding qualities incorporated in the Ford Truck to make it tougher, more rugged, more dependable, more economical—or to make the unit easier to handle, increase the driver's comfort, protect the load or contribute to safety. • Shown here are a few important Ford features for 1940.

There are many more which you're invited to see at your Ford dealer's. Compare them with the features offered in other trucks of about the same price—or any price. Arrange for an "on-the-job" test and see what they mean in performance and economy before you spend another truck dollar.

• Ford Motor Company, builders of Ford V-8 and Mercury Cars, Ford Trucks, Commercial Cars, Station Wagons and Transit Buses.



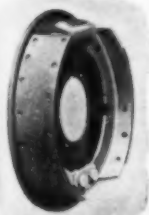
3 V-8 Engines. 95, 85 and 60 hp. The only V-type 8-cylinder truck engines on the market today.



Full-floating Rear Axle. Relieves the axle shafts of all load stresses. Minimizes the possibility of shaft failure.



New Front Springs. Provide an additional point of support to frame side-members.



Big Hydraulic Brakes. Unusually large brake lining area. Dependable, built to Ford standards of safety.

MORE FORD TRUCK FEATURES

6 wheelbases • 42 body and chassis types
• New Sealed-Beam Headlamps • New, larger battery—more powerful generator
• Battery Condition Indicator • Worm-and-roller steering • Straddle-mounted driving pinion—ring gear thrust plate • Needle-roller bearing universal joints
• Factory-installed two-speed rear axle (at extra cost) • Ford Engine and Parts Exchange Plan

FORD V-8 TRUCKS

REGULARS—ONE-TONNERS—
¾-TONNERS—CAB-OVER-ENGINE



"An ounce of prevention is worth a pound of cure," has proved itself a sage saying in Hartford Steam Boiler's seventy-two years of safeguarding power equipment. Its observance has saved industrial-plant owners millions of dollars.

Because Hartford has found that thorough inspection of boilers, engines, turbines, generators, etc., is never so costly to industry as accidents—in physical damage and business disruption—more of its energies are judiciously devoted to accident prevention than to any other one phase of its business.

Over 400 specially trained field inspectors, directed by an engineering staff whose primary interest is the study of means for preventing power-plant accidents, comprise Hartford's "front-line defense" against disaster in the establishments of its clients.

As a result of specialization in a work so vital to industry, this Company has been chosen to safeguard a preponderant part of the nation's insured power equipment—and to shop-inspect 90% of its industrial-power boilers during fabrication.

• It costs no more to place your power-plant insurance with power-plant insurance specialists. Ask your agent or broker for details.

**THE HARTFORD STEAM BOILER INSPECTION
AND INSURANCE COMPANY**

HARTFORD,
CONNECTICUT



THIS BUSINESS WEEK



Harris & Ewing

The Temporary National Economic Committee's non-stop 'monopoly investigation started to dig into the steel industry late last week, and on this week's cover Senator Joseph C. O'Mahoney, chairman of the committee, is speaking up to a battery of microphones, lunging in with a question for a steel industry witness to answer. (Senator William H. King of Utah and Leon Henderson are the TNEC members sitting alongside O'Mahoney.) By the time the committee has listened to, and questioned, all the big-wigs of the steel industry who are scheduled to put in an appearance, it expects to know all there is to know about steel.

What's More

A REPORT on the buying activity that started up when the Neutrality Act went through last week—what foreign missions are in the U. S., where they are, what and how much they're buying—p. 55 . . . What issues are shaping up for the next Congress, and, incidentally, for the 1940 campaign?—p. 15 . . . Commodities have got over their boom and are selling on the supply and demand situation now. The TNEC plans to make periodic checks of commodity prices—p. 20, with a series of charts on p. 21 . . . An uncensored report from Berlin on p. 53, tells why knowledgeable Germans are saying that the Reich will lose the war unless it can win in six months.

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A McGRAW-HILL



PUBLICATION

ONE OUT OF 200

FIVE YEARS AGO, a new cola drink joined the many from which America could choose. Behind the new Royal Crown was a beverage-making experience of over 30 years.

Many people soon discovered Royal Crown's taste to be more to their liking. And they liked the big bottle which gave them two full glasses for a nickel.

In town after town, wide-awake business men saw their opportunity. They determined to put their money and their energy into the business of bottling Royal Crown for their communities. Based on their successes, more and more business men sought the same opportunity in other localities. Today in over 500 communities, Royal Crown is progressively successful.

Yes, of all the 200 and more cola drinks, Royal Crown has become the talk of the soft-drink world. But, so great is America's preference for cola drinks, even Royal Crown attracts only a small fraction of the public's nickels.

* * *

Royal Crown cannot honestly be confused with any other cola drink. The label is unmistakable, with "ROYAL CROWN" in large clear letters. Even the colors of the label are Royal Crown's own.

Despite the fact that nearly every dealer agrees that his customers are en-

titled to choose *which* cola drink they want, in rare cases some dealers feel impelled to push some other brand. Royal Crown accepts this as one of the penalties of progress.

* * *

To the many who say "Royal Crown" whenever they want a cola drink, we record our thanks. To those who have not as yet tasted Royal Crown, we urge a trial. To those who as yet cannot get Royal Crown in their own communities, we offer the hope that they soon can.

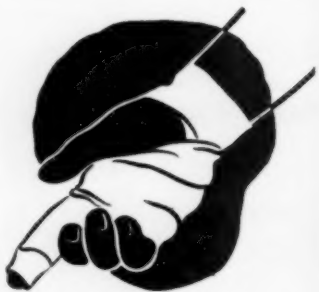


Royal Crown is a product of the Nehi Corporation, Columbus, Georgia, with more than 500 licensed bottlers throughout the United States. Other products include "Nehi" and "Par-T-Pak" beverages.



Chemical research continually changes business—by producing new uses for old materials, creating products that never existed before, devising better production methods. The fruits of years of chemical research and engineering development regularly make this great exposition a biennial "must" for over 40,000 industrial visitors. Join them this year. See more than three hundred exhibits by leading manufacturers on three great floors of Grand Central Palace. Many of the developments here displayed may—probably will—change the materials you buy, the products or services you sell, and the markets you cultivate. Don't miss this opportunity to

SEE THIS EXPOSITION



Fewer Layoffs

Despite the rule "REPORT ALL INJURIES," employees are apt to overlook minor nicks, cuts, and scratches. Bacteria readily lodges in such skin abrasions, often causing serious infection, dermatitis, and costly layoffs.

High in bacteria removal power, Formula SBS-II, the modern skin cleanser, replaces soap in plant washrooms, helps keep skin clean and free from infection. Cost: under 1¢ a week per worker. 2910 plants use it today. Write now for generous Free Trial supply.

FORMULA SBS-II

The WASHWORD of Industry

SUGAR BEET PRODUCTS COMPANY
300 WALLER STREET - SAGINAW, MICH.

NEW BUSINESS

Our Times

BIGGEST AMERICAN SWAP of the week, in an age of international barter, was arranged between Pullman-Standard Car Manufacturing Co. and American Brake Shoe and Foundry Co. For Pullman's chilled wheel foundry, at Houston, Tex., American Brake Shoe gave its wheel plant at Hammond, Ind.

Zenith Radio Corp.—which, incidentally, claims a new production record for the industry, 12,500 receivers per day—reports that war-torn Europe is unusually interested in shortwave radios.

Members of Stanford University's Graduate School of Business will spend the next year and approximately \$40,000 analyzing the functions of top-administrative groups in about twenty corporations in the Middle West and East. Confidential reports will be given to each of the cooperating organizations and a final report on the research will probably be published.

Arkansas' State Chamber of Commerce advises that the supreme court of the state invalidated the 2% use tax on goods used within the state but bought elsewhere—information received too late to be included in a general round-up on state trade barriers (*BW—Jul 15 '39, p32*).

Stressing "peace on earth, good-will to men," the China Aid Council, 268 Fourth Ave., New York, hopes to raise funds for medical and refugee relief by capitalizing the never-ending demand for something new in Christmas cards. The council's bid pictures a Chinese deity, lithographed in red and green, whose high forehead symbolizes longevity. The legend: "Wishing you long life and happiness on top of a merry Christmas." Price: 10¢ apiece.

What's New?

SON ELLIOTT ROOSEVELT is the moving light in Transcontinental Broadcasting System, new national network now being formed. He won't own stock, but hopes to get business for his Texas State Network, only affiliate so far announced. The web will have 100 other stations, mostly little ones. Advertising agency dissatisfaction with present network restrictions on supplementary coverage through rebroadcasting by independent stations is given as one reason for new web.

As soon as a new central fire station can be completed in Cincinnati, it will have the first Teletype fire alarm transmitting system, which will flash typewritten orders to 38 subsidiary stations. Developed by Teletype Corp., 195 Broadway, New York, the new system will let each engine house know the location of

the fire in three seconds and will follow up with second and third copies just to be on the safe side.

Sales Strut

DEPARTMENT OF AGRICULTURE estimates put Ohio's 1939 commercial apple production at 5,750,000 bushels, 195% higher than Ohio's 1938 figure. Members of the Ohio Apple Institute, Inc., assessed themselves one cent a bushel on their fall crops and put on a state-wide demonstration for "Apple Week," Oct. 30 to Nov. 4. In Cleveland, apples were sold in the streets; two apple trees were temporarily planted in the busy downtown section; and a one-story high display was put up on the corner by the Cleveland Trust Co.'s building.

In a promotion similar to Master Electric Co.'s chartered airliner flights to bring potential electric motor buyers to its factory (*BW—Oct 28 '39, p4*), Eastern Coal Corp., Bluefield, W. Va., writes that it operates a plane of its own to fly prospective coal users to its mine for an inspection trip.

Nescafé, a powdered coffee extract containing carbohydrates which Nestlé's Milk Products, Inc., believes help retain the flavor, was introduced experimentally in New York and Philadelphia this summer. Last week Washington, D. C. was added to the Nescafé market test.

Add What's New?

BULLET-LIKE BED LAMPS that concentrate their light are offered by Eagle Electric Mfg. Co., Brooklyn; made of Bakelite, they are available in five colors. Perfumed (violet) ink pads are marketed by Bates Mfg. Co., 30 Vesey St., New York. An album that will mount 600 match book covers is offered match-book hobbyists by Gromay Co., 1123 Broadway, New York.

Allied Photo Service, 15 East 40th St., New York takes pictures of accidents, thus providing insurance companies with irrefutable evidence against negligence claims. Company guarantees it will get the picture within one hour after it is called.

Important stops on the bus lines operated by Public Service of New Jersey are now equipped with telephones. Passengers can call in free-of-charge, get information on bus schedules.

Wilbur Henry Adams, industrial designer in Cleveland, now offers his services on a by-the-day basis.

The police department of Greensboro, N. C., passes out courtesy tickets to visiting motorists urging them to "park in parking zones as long as you please. This applies to out-of-town visitors only."

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WASHINGTON BULLETIN

WASHINGTON (Business Week Bureau)

—The really tremendous significance of the attempt to continue U. S. Line ships in service to Europe by transferring them to the Panama flag lies not in its political consequence—the attack on Roosevelt for breaking faith with Congress after it adjourned—but in its revelation of the lengths to which the Administration would go to bend our neutrality policy to aid the British and French.

Aid for Allies Sure

IN THE FIGHT over neutrality revision, Roosevelt had to accept the provision barring United States ships from danger zones in order to get the arms embargo repealed, but he never wanted it. The next step is now worrying isolationists—whether it be the wholesale construction of ships for sale to British or something else. You can be sure that the Administration will back some plan to help Britain overcome the submarine menace. This certainty stems from the obvious encouragement—if not detailed direction—which the White House gave the Maritime Commission in launching the plan to transfer U. S. ships to the flag of Panama. The Administration's quick backdown when criticism came from so many different directions fools nobody.

Cash-and-Carry Loopholes

WHILE THE NEUTRALITY ACT requires that all shipments to belligerents must be paid for before leaving these shores, Sen. Tom Connally, one of the authors of the law, points out that this is only a book-keeping transaction for concerns having subsidiaries which are incorporated in belligerent countries. Such subsidiaries also can extend credit to the belligerent governments, despite the fact that their American parent corporations can't do so.

Another apparent loophole in the law, which the State Department is mulling over, seems to permit an individual exporter, if he assumes the risk incident to transfer of title, to extend credit to an individual buyer in a belligerent nation of any goods not classed by the President as arms, ammunition or implements of war.

Fighting the Trade Treaties

REDUCTION of the "excise" duty on imported oil from 3¢ to 2¢ per gal., as provided in the new Venezuelan trade agreement, promises to enlist more support for the Congressional bloc that will do battle in January to terminate the authority to make reciprocal trade agreements and to abrogate existing treaties. Coal operators and miners are even more belligerent

about the cut in the oil duty than the oil producers themselves, for they fought to secure enactment of the excise tax in the belief that it would further handicap oil in its fight with coal.

Copper interests are watching on the sidelines, ready to jump in against Sec. Hull if the new Chilean agreement cuts the excise duty on copper from 4¢ to 2¢ per lb., as predicted.

Filling Hopkins' Job

RISEING STAR in the Administration is Henry F. Grady, formerly of the Tariff Commission and now Assistant Secretary of State. The Californian's friends are enthusiastically boosting him for Secretary of Commerce and they can count on support from exporters who praise his zeal in pushing the reciprocal trade agreement program. As forecast seven months ago (*BW—Apr 22 '39, p7*), Sec. Hopkins' health has given no assurance that he would ever be able to restore the Commerce post to importance. Roosevelt would accept Hopkins' resignation with the utmost regret, but Hopkins feels keenly his incapacity.

Besides Grady, Under Secretary Edward J. Noble is a worthy candidate. He's done as good a job as anyone could without the top billing.

Price Probe Irks Retailers

BEHIND THE SCENE in the staging of the Temporary National Economic Committee's survey of the price situation is a conflict among retail groups, involving both the necessity for and the timing of the hearings now scheduled to start,

possibly on Nov. 27, but probably on Dec. 4.

The obstinate objector is the American Retail Federation, which strenuously sought to prevail on TNEC to back away from the subject. Other retail groups felt that, since TNEC was determined to go ahead, it might as well go ahead now.

By spring, when increasing manufacturing costs are showing up in retail prices, retailers will be in the position of having to defend themselves.

Steel on the Spot

ADMINISTRATION PRESSURE, via the TNEC, to put a lid on steel prices will force no commitments by the industry at the monopoly committee's hearings. First-quarter prices, says U. S. Steel's Benjamin F. Fairless, will not be announced until all factors are weighed.

Key members of TNEC, like SEC Commissioner Leon Henderson, hope, through steel, to cushion a possible business setback before the election next year—by trying to sell the industry on announcing price reductions early in any such recession.

Probing into steel's price structure, Justice Department lawyers hint at anti-trust proceedings on the basis of industry consultations on uniform extras and deductions from base prices, a practice given government blessing during NRA.

Compensation for Spanking

SEC. WALLACE is all smiles again, after a good hearty cry on the President's shoulder. His contrition, following the



Edward R. Stettinius, Jr., board chairman of U. S. Steel; Benjamin F. Fairless, president; and William Beye, vice president and general counsel, heard investigators at the TNEC steel hearings this week read a cablegram from Stettinius to his predecessor,

Myron Taylor, saying the company "hoped" price reductions in June '38, would stimulate demand. Fairless, speaking as "an ordinary steel man, not an economist" said price reduction was not important in the production rise that followed.

PRIVATELY FINANCED APARTMENT SECURES DEPENDABLE HEAT

Install Webster Hylo System to
Assure Balanced Heating in
New 48-Family Apartment

COMFORT PLUS REAL ECONOMY

Limited Investment Produces the
Results Usually Associated
with Costly Construction

Charleston, W. Va.—The performance of a Webster Hylo System in the new Riverview Terrace Apartment has demonstrated that heating results usually associated only with the highest cost construction can be achieved with a limited investment.

When it was built in 1937, the Riverview Terrace was designed for the most modern apartment house living. The heating elements are concealed Webster System Radiators recessed into the walls, thus saving valuable floor space.



Riverview Terrace Apartment, Charleston, W. Va.

Heating comfort and economy have been secured with the Webster Hylo System through the use of properly sized metering orifices and a central throttling control which varies the steam supply in accordance with changes in the weather.

The Riverview Terrace Apartment was designed by Walter F. Martens, Charleston architect. Meyer Brothers, of Charleston, made the heating installation. There is a total of 5,866 sq. ft. of installed direct radiation.

LOW HEATING COST

GET THIS BOOK... Read the fact stories about economy and comfort in the heating of 144 buildings. No exaggerated claims. No promises. Just 64 pages of heating results. Ask for "Performance Facts."

WARREN WEBSTER & CO., Camden, N. J.
Pioneers of the Vacuum System of Steam Heating
Representatives in 65 principal U. S. Cities—Est. 1888

White House reprimand which he earned by boosting a third term for F.D.R. during the political truce, won him Roosevelt's approval for the 1939 cotton-loan program.

The President had definitely made up his mind to turn it down and said as much to the press. Just back from his western trip, Wallace hurried to the White House in dismay. Closeted with Roosevelt for some time, he departed in good humor, and a few days later the Agriculture Department announced the President's approval of the plan.

S.W.O.C. Wins, Asks More

THE VICTORY of National Labor Relations Board this week, in the circuit court decision upholding an order that Republic Steel restore some 5,000 former C.I.O. strikers to the payroll with back pay, adds fuel to the fiery arguments raging around the federal labor law. Republic, of course, will fight the two-year-old case through the Supreme Court.

In the meantime, the Steel Workers Organizing Committee which lost the 1937 "Little Steel" strike is rarin' to go again and has requested conferences with Bethlehem, to begin not later than Nov. 13. Item No. 1 on the list of demands is the \$5 day. The strategy is plain: The union feels Bethlehem might raise wages soon, and S.W.O.C. wants to get partial credit for the boost.

A.F.L. Faces Chain Issue

A SHOWDOWN with the American Federation of Labor on the Patman chain-store tax bill is slated for next January when the executive council meets at Miami. A special committee of three is "studying" the question.

Despite the opposition of bricklayers, plasterers, and masons, pro-chain forces within A.F.L. are strong. This was revealed at Cincinnati when the convention shelved a resolution approving the Patman bill and referred it to the special committee. The powerful Union Label Trades Department leads the fight for the chains, which have become heavily unionized (A.F.L.) in the last two years. Also supporting the chains are the meat cutters, retail clerks, and the printing trades, which have been receiving increasingly large chain orders.

Rail Wage Raise Likely

AN INCREASE in the 30¢ minimum wage on the railroads, which it is expected will be recommended by the committee appointed by the Labor Department to study the problem, will hit roads in the Southeast and part of the Southwest.

These lines argue that any raise whatever that affects section and freight house labor will boost mechanization. They count on Charles S. Johnson of Fisk University, one of the public members of the committee, to realize the hardship that negro labor will suffer, but they expect William H. Spencer of the University of

More Ham and Eggs

A LONG SERIES of state and national battles over Utopian old-age pension schemes is now even more certain than if Ham and Eggs had triumphed in California or if Bigelow's less pixy-like scheme in Ohio had been approved.

The tremendous majorities in both instances do not discourage the zealots. They think they were beaten only because both plans included elements which produced opposition.

Some conservatives regret that Ham and Eggs did not win. They think one year of it would have headed off many future battles.

Win or lose, the pickings are mighty good for backers of pension schemes, and with such heavy minorities, enthusiastic politicians will be inclined to compromise. So look out for constantly more liberal old-age pensions.

Chicago to cast the ballot clinching a wage increase.

Doubt Federal Oil Control

DON'T GET TOO EXCITED about prospects of federal oil control as an outgrowth of the President's letter to the House Interstate Commerce Committee last July (BW—Jul 29 '39, p6).

The "Cole Oil" sub-committee members who have been sitting through hearings the past week on the Ickes-sponsored bill display a definite "tongue-in-cheek" attitude. Interior Department witnesses, including Sec. Ickes, denied the bill would do more than prevent "physical waste," insisted that it is not aimed at any other type of control, but a skeptical committee probably will pigeonhole it.

Further evidence of the inability of the states to cope with the oil problem and such circumstances as the defeat in California this week of the Atkinson oil control proposal may eventually force action.

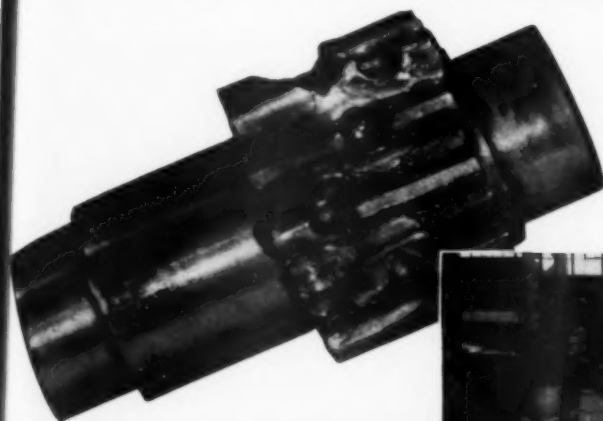
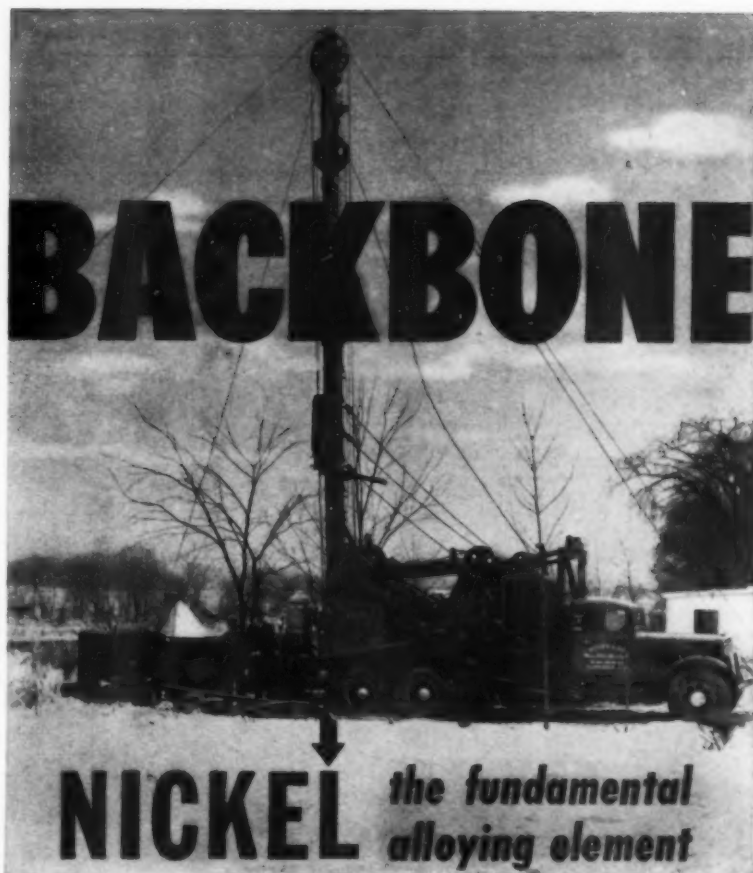
Building Drive Clicks

HAVING SECURED grand jury indictments of four high officials of the A.F.L. carpenters' union for anti-Sherman Act conspiracy in connection with prolonged jurisdictional disputes, the St. Louis division of the Justice Department's building racket inquiry is resting for the moment. It will be called back for further inquiry into alleged illegal practices on Nov. 20.

Meanwhile, a grand jury has convened in East St. Louis, across the river in Illinois, to look into building practices there. In several other cities where investigations are under way, grand jury reports are expected soon.

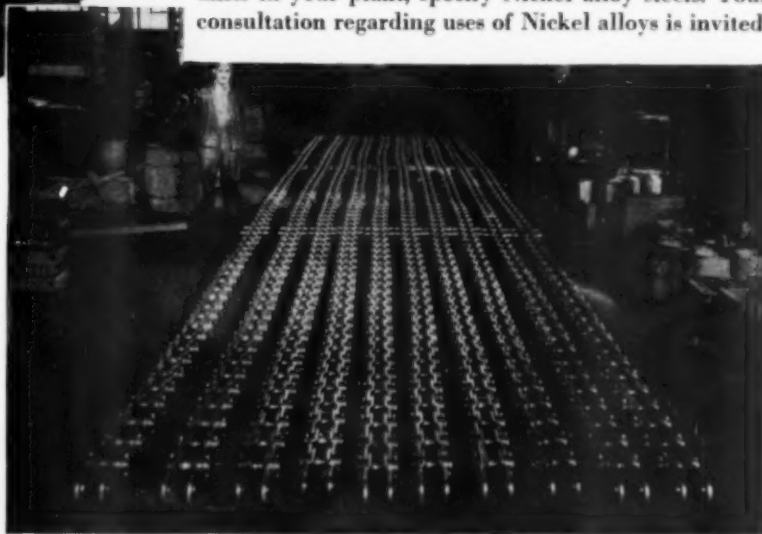
Gives steel MORE BACKBONE

Rapid, repeated raising and dropping of a 3,000 ft. string of drilling tools puts terrific shock stress and fatigue strains on portable drill rigs. This Keystone spudder uses Nickel alloy steels for transmission shafts and other vital parts. Nickel alloy steel shafts in this equipment have failure-free records of more than three years' service. Plain carbon steels, previously used for shafts, often failed in three to four months. Adding Nickel—the fundamental alloying element—to irons and steels guards against costly breakdowns on your equipment.



After 12 years' service in an industrial truck this Nickel alloyed gear still retained toughness and ductility. The photograph shows how it battered but did not break when balls from a shaft bearing fell between teeth of gear and pinion. The gear is heat treated SAE 3135 Nickel-chromium steel, the same alloy specified today. Nickel alloy steels have backbone to stand up under long severe service. No wonder they prove so economical on a per-year basis.

Nickel alloyed into steels and irons imparts added strength, toughness and wear resistance. Evidence is these tainter gate chains produced from Nickel alloy steel by the Goodman Mfg. Co., Chicago. $1\frac{7}{8}$ " pins showed a breaking load of 539,000 lbs. and a yield point of 431,000 lbs. These chains dare not fail for they control flood gates on Mississippi River dams. For vital units in your plant, specify Nickel alloy steels. Your consultation regarding uses of Nickel alloys is invited.



THE INTERNATIONAL NICKEL COMPANY, INC., 67 WALL ST., NEW YORK, N. Y.

G-10542—Business Week, Nov. 11—Iron Age, Nov. 23—Steel, Nov. 27—Metals and Alloys, Nov.—Metal Progress, Nov.—Product Engineering, Nov.—Mechanical Engineering, Nov.—Machinery, Nov., 1939 ★



Champions
... BOTH OF THEM

One for short-time speed on the track or a-field. The other for dependable staying power at a slower pace over a longer route.

So it is with Diesels! A light-duty engine for intermittent service and a heavy-duty Diesel for continuous use. Fairbanks-Morse makes *both* types, to meet your power needs exactly.

FAIRBANKS-MORSE

DIESEL ENGINES
PUMPS
ELECTRICAL MACHINERY
FAIRBANKS SCALES
RAILROAD EQUIPMENT

WATER SYSTEMS
WASHERS-IRONERS
FARM EQUIPMENT
STOKERS
AIR CONDITIONERS



Diesels

130
120
110
100
90
80
70

THE INDUSTRY

PRODUCTS
★ Steel Ingot
★ Automobile
★ Residential
★ Engineering
★ Electric Power
★ Crude Oil
★ Bituminous

TRADE

★ Miscellaneous
★ All Other
Check Payments
Money in Circulation
Department

PRICES

Spot Commodity
Iron and Steel
Scrap Steel
Copper (electrolytic)
Wheat (No. 1)
Sugar (raw)
Cotton (mildew-free)
Wool Tops
Rubber (ribs)

FINANCE

Corporate Bonds
U. S. Bonds
U. S. Treasury
Call Loans
Prime Commercial
Business

BANKING

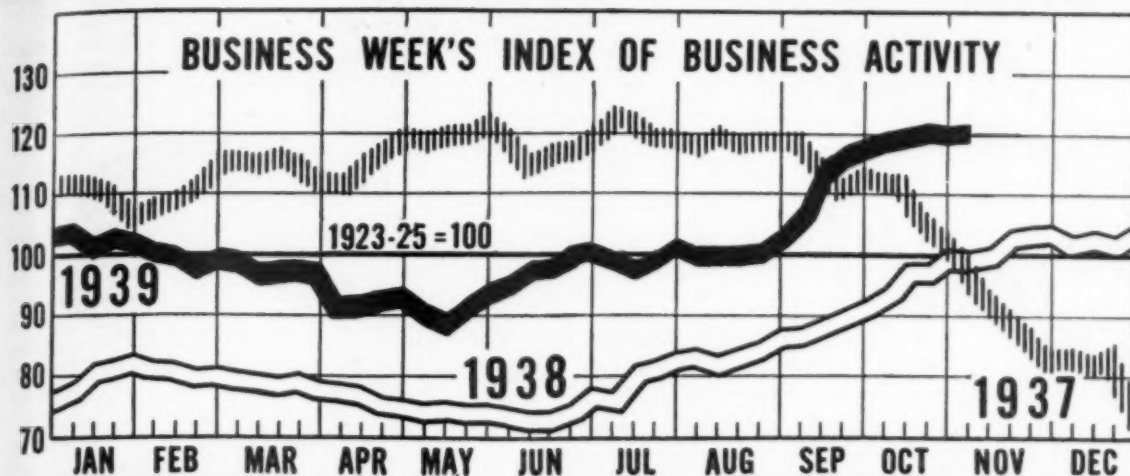
Demand Deposits
Total Loans
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U. S. Government
Other Securities
Excess Reserves
Total Federal

STOCK MARKET

50 Industrial
20 Railroads
20 Utilities
90 Stocks
Volume of

★ Factor in

THE FIGURES OF THE WEEK



THE INDEX.....

PRODUCTION

	Latest Week	Preceding Week	Month Ago	6 Months Ago	Year Ago
*Steel Ingot Operations (% of capacity).....	92.5	91.0	88.6	47.0	61.0
*Automobile Production	82,690	78,210	76,095	71,420	60,030
*Residential Building Contracts (F. W. Dodge, 4-week daily average in thousands).....	\$5,272	\$5,748	\$4,928	\$4,403	\$4,675
*Engineering Construction Awards (Eng. News-Rec. 4-week daily av. in thousands).....	\$10,188	\$10,486	\$9,643	\$9,406	\$9,875
*Electric Power Output (million kilowatt-hours).....	2,537	2,539	2,465	2,164	2,207
Crude Oil (daily average, 1,000 bbls.).....	3,501	3,499	3,436	3,581	3,629
Bituminous Coal (daily average, 1,000 tons).....	1,738	1,742	1,666	605	1,442

TRADE

*Miscellaneous and L.C.L. Carloadings (daily average, 1,000 cars).....	83	85	82	68	74
*All Other Carloadings (daily average, 1,000 cars).....	56	58	57	29	44
Check Payments (outside N. Y. City, millions).....	\$4,637	\$4,289	\$4,761	\$4,465	\$4,490
Money in Circulation (Wednesday series, millions).....	7,352	7,302	7,309	6,915	6,708
Department Store Sales (change from same week of preceding year).....	+5%	+11%	+14%	+6%	-5%

PRICES (Average for the week)

Spot Commodity Index (Moody's, Dec. 31, 1931=100).....	163.2	164.1	167.7	142.9	144.1
Iron and Steel Composite (Steel, ton).....	\$37.62	\$37.56	\$37.74	\$36.21	\$36.56
Scrap Steel Composite (Iron Age, ton).....	\$20.63	\$20.96	\$22.08	\$14.25	\$14.50
Copper (electrolytic, Connecticut Valley, lb.).....	12.500¢	12.500¢	12.500¢	10.125¢	11.250¢
Wheat (No. 2, hard winter, Kansas City, bu.).....	\$0.85	\$0.83	\$0.82	\$0.75	\$0.64
Sugar (raw, delivered New York, lb.).....	2.99¢	3.06¢	3.61¢	2.93¢	3.05¢
*Cotton (middling $\frac{3}{8}$ ", ten markets, lb.).....	8.88¢	8.90¢	8.73¢	8.99¢	8.60¢
Wool Tops (New York, lb.).....	\$1.148	\$1.156	\$1.242	\$0.855	\$0.846
Rubber (ribbed smoked sheets, New York, lb.).....	20.49¢	20.39¢	19.51¢	18.97¢	17.05¢

FINANCE

Corporate Bond Yield (Standard Statistics, 45 issues).....	5.66%	5.65%	5.69%	5.72%	5.68%
U. S. Bond Yield (average of all issues due or callable after twelve years).....	2.52%	2.51%	2.72%	2.24%	2.48%
U. S. Treasury 3-to-5 year Note Yield.....	0.69%	0.65%	0.95%	0.47%	0.69%
Call Loans Renewal Rate, N. Y. Stock Exchange (daily average).....	1.00%	1.00%	1.00%	1.00%	1.00%
Prime Commercial Paper, 4-to-6 months, N. Y. City (prevailing rate).....	$\frac{1}{2}$ - $\frac{3}{4}$ %	$\frac{1}{2}$ - $\frac{3}{4}$ %	$\frac{1}{2}$ - $\frac{3}{4}$ %	$\frac{1}{2}$ - $\frac{3}{4}$ %	$\frac{1}{2}$ - $\frac{3}{4}$ %
Business Failures (Dun & Bradstreet, number).....	221	207	222	241	216

BANKING (Millions of dollars)

Demand Deposits Adjusted, reporting member banks.....	18,556	18,721	18,306	16,660	15,766
Total Loans and Investments, reporting member banks.....	22,728	22,657	22,498	21,785	21,406
Commercial and Agricultural Loans, reporting member banks.....	4,310	4,282	4,251	3,941	3,886
Securities Loans, reporting member banks.....	1,115	1,103	1,043	1,187	1,299
U. S. Gov't and Gov't Guaranteed Obligations Held, reporting member banks.....	10,916	10,854	10,743	10,367	9,618
Other Securities Held, reporting member banks.....	3,291	3,324	3,380	3,347	3,263
Excess Reserves, all member banks (Wednesday series).....	5,380	5,530	5,359	4,084	3,217
Total Federal Reserve Credit Outstanding (Wednesday series).....	2,765	2,771	2,837	2,872	2,842

STOCK MARKET (Average for the week)

50 Industrials, Price Index (Standard Statistics).....	125.0	125.8	124.4	109.3	131.6
20 Railroads, Price Index (Standard Statistics).....	34.1	34.9	34.6	26.9	32.7
20 Utilities, Price Index (Standard Statistics).....	69.7	70.1	68.2	65.5	68.3
90 Stocks, Price Index (Standard Statistics).....	102.1	102.8	101.4	89.5	106.1
Volume of Trading, N. Y. Stock Exchange (daily average, 1,000 shares).....	1,428	1,031	913	531	1,679

* Factor in Business Week Index. * Preliminary, week ended Nov. 4th. † Revised. ‡ New series. § Date for "Latest Week" on each series on request.

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SPEED COUNTS in modern business. Days late are dollars lost. Being on the right spot at the right time is tremendously important. Long Distance telephone service puts you there *fast* and *first*.

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• **"PRICE CHANGE?"** Advise your sales force. Cover customers quickly by telephone and pick up extra orders, extra good will.

• **"CANCELTION?"** Prompt personal discussion by Long Distance may save the sale and the customer.

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There are dozens of different ways in which you can use the speed and directness of Long Distance telephone service. . . . Remember, too, as you travel that *telephone appointments prevent disappointments*.



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BUSINESS WEEK

November 11, 1939

THE BUSINESS OUTLOOK

Peace gesture and defeat of pension panaceas bring little change. General business level is good, but foreign orders will, and further employment may, mean plant expansion, and that is worrying industrialists.

WHEN CRACKPOT SCHEMES go to the polls and are decisively beaten by the American people, the news should be constructive to business and to the markets. When two important neutrals like Belgium and the Netherlands suggest a way to peace, it should be heartening to a world which pretends to some civilization.

But those who looked to the stock market this week for any indication that these news items had been constructively received were disappointed. Both were in Wednesday morning's papers. And Wednesday's stock market opened not firm, nor even steady, but lower.

Tightening the Enigma

Obviously enough, it was reassuring to any man trying to run a business to see that Ham and Eggs in California and the Bigelow plan in Ohio had been overwhelmed by voters who have not been entirely unreceptive to panaceas in these troubled years. But peace proposals added just one more uncertainty to a business picture which is highly enigmatic to the country's best brains.

Not that this week's peace move is given any great chance for success. It would appear that the Netherlands and Belgium fear they may be the innocent victims of a *Blitzkrieg* growing directly out of the stalemate on the Western Front. To prevent such a *démarche*—or even to postpone it—is ample reason for these countries to try anything.

Steel Makes Another High

All this adds little to change business thinking. BUSINESS WEEK's index is up a little more, largely under the influence of another new high in steel operations. Carloadings, after their sensational rise, have declined a little faster than the normal seasonal pattern for two successive weeks. Electric power output, adjusted for seasonal, has dipped ever so slightly, and the rate of automotive operations has risen in spite of the Chrysler strike. The effect of the Neutrality Act amendment has been slight except for the disruption of American shipping to western Europe (which may cost the jobs of 8,000 to 9,000 men).

After these factors are weighed, the inevitable conclusion is that business is at an excellent level. So good is it, in fact, that many companies still are plagued by wondering whether they should add to plant capacity so as to accept such foreign orders as are to be had. The chemical industry, for example, can get foreign business. For the most part, however, it has turned such orders away because it can no more than fill the demands of domestic customers.

Employment and Consumption

With the capacity of many industries sold out for weeks or months in advance, there arises the serious question of whether reemployment can carry much farther without adding to plant capacities. If not, it is doubtful if consumer purchasing power will rise sufficiently to buy everything that industry is now producing.

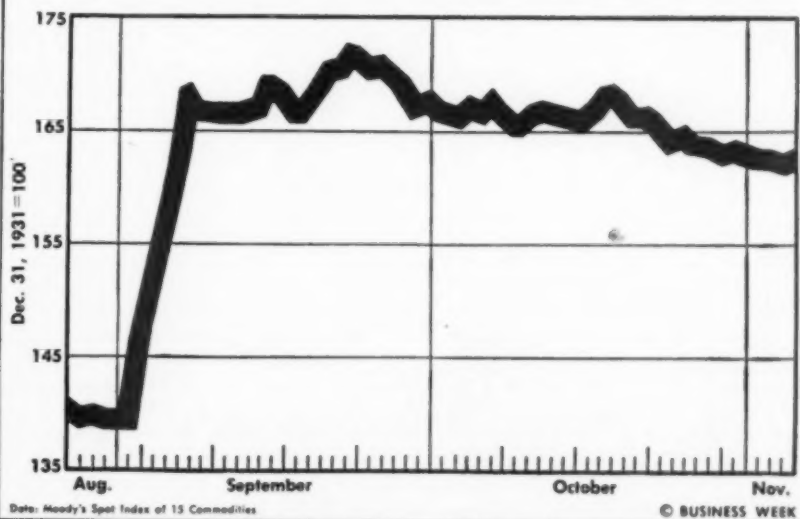
Inventories of raw materials, even though they may not be too large with

industry producing at 122% of the 1923-25 average, would probably prove burdensome if consumptive demand doesn't measure up to 122% production. This line of reasoning provides the essential background for the many predictions of lower levels in the early months of 1940.

An example of an industry which is operating at an excellent rate and worrying the while might be found in cotton textiles. Activity during the last week in October was the highest since the middle of 1937—and only a shade under the '37 peak. Operations have been expanding without major interruption since early in June last year. That's a 17-month advance, and the cotton textile industry lives with an old hoodoo of a "two-year cycle."

Before cycles like that take on what seems to be fairly regular pattern, there have to be some basic reasons for it. In cotton textiles, they think they have put their fingers on the causes. First off, they figure there is surely going to be overproduction if mills allow themselves to be forced above two-shift operations. Secondly, they believe it is dangerous to allow customers to buy ahead more than three months. Hence the present effort to get mills to adhere to the two-shift

IN THE OUTLOOK—COMMODITY PRICES



With Federal authorities manifesting concern over finished-goods prices, cost of raw materials becomes an increasingly important matter. Hence

the moderate decline in the index of spot commodity prices (above) and in individual commodities (page 21) helps to maintain profit margins.

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day and to a maximum of three months forward on orders.

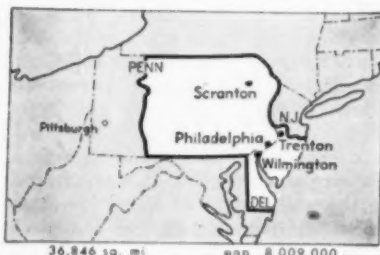
Nonferrous metals also present big problems, and problems which differ materially from those in cotton textiles. Domestic demand has been of record proportions during much of the last two months. Foreign demand, for cop-

per particularly, has been brisk despite the fact that little enough metal is being wasted in warfare. Yet those in the trade who face facts haven't more than the foggiest notion where they're going.

Big customers like the brass fabricators, electrical equipment, machinery, and automobiles are doing an excellent

business. Yet the copper producers don't know whether the big buying of the metal has been in any large measure protection against price rather than protection against real demand. In a world which worries one day about passive war and the next about inconclusive peace, the problems will persist.

The Regional Business Outlook



PHILADELPHIA—October's factory payroll gains here were 9%—more than twice the normal amount—reflecting the reversal in consumer goods industries, which had failed to reach seasonal expectations in September despite heavy new orders (*BW—Oct 14 '39, p14*). With rounded recovery continuing, department store sales scored a fourth successive advance, nearing 1937 levels.

Manufacturers are pleased that little resistance to increases in retail prices of silk hosiery is being evidenced, but more is expected. Now they're watching the reaction to the appearance of Nylon hose at Wilmington, Del., because the raw silk price is so high. Meanwhile, mill activity in Reading and this city is improving.

Indicating the durable goods upswing, the steel rate has risen to 80% from the 35% average prevailing prior to July. Output of cement in the Allentown-Bethlehem industrial area remains at the 1936-37 level. Some plants in various basic lines are approaching effective capacity, and not only have purchases of new equipment been stimulated, but 1939 factory building is 150% above last year.

Anthracite Production Up

While, in general, foreign inquiries are many and orders few, Canadian demand for anthracite has combined with better residential consumption to send production to more than 200,000 tons per day. The winter outlook for payrolls is gratifying to merchants in coal area towns like Scranton, Wilkes-Barre, and Pottsville. Although "war business" has yet to appear, more than 10,000 men are at work in the Philadelphia Navy Yard, constructing and reconditioning vessels for the government.



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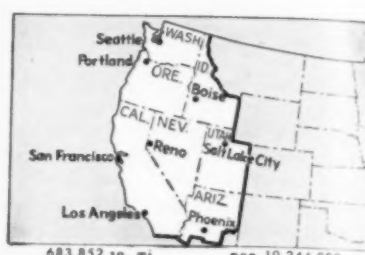
Index of things to come in the railroad equipment industry, for instance, is the fact that September orders for steel and malleable castings doubled the previous month's, while only lately has production responded.

The Automobile Situation

With Cook County's record October for new car sales symptomatic of the excellent national showing, the Chrysler strike is now regarded only as a temporary setback to increasing automobile employment. However, there are some in Detroit who foresee similar difficulties for G.M. resulting from the forthcoming labor board elections.

Makers of machine tools, electrical equipment, and miscellaneous machinery are much more active.

The sharp advances in operating schedules are threatening to create bottlenecks, and this is having further stimulative effects. Because the market has passed the 85% production rate, steel is harder to get, and this has brought in orders from business men who previously had adopted a wait and see attitude. Improving demand for skilled labor has pointed wage rates upward. And the heavy sales of electric power are forcing producers to expand capacity so that, now, utility construction contracts are soaring.



SAN FRANCISCO—With most crops already harvested, industrial and export news is monopolizing the attention of merchants in this district. Standout leader again is the aviation industry. Release of French and British orders by embargo repeal has doubled companies' backlogs, and virtually all southern California factories are increasing capacity. Over eight thousand persons have been employed in the past six weeks, and that many more will find work when room is made for them.

Lumber production in the Pacific Northwest is at the year's high, while the usual seasonal peak is mid-spring. Export demand continues to pick up, but last week, for the first time in eight months, output and shipments were in excess of new orders. Mine and smelter activity has increased substantially, especially in Arizona and Utah. September-October demand for copper, lead, and zinc was near-record, and the outlook is favorable.

Business Breathes Easier

"Ham 'n Eggs" has been defeated and business men are breathing easier. Now they're watching the greatly intensified Japanese-American diplomatic activity, bearing in mind that the abrogated trade treaty lapses next January. With her other suppliers cut off by the war, and her business expanding, Japan is potentially a greater market for American products. Already her orders have increased by more than one-third since August, and such industries as shipping, petroleum, and cotton have benefited.

Pace of the business rise remains steady and moderate (*BW—Oct 14 '39, p14*). Based on expanding payrolls, expectations are for retail trade to approach 1937 levels by the year-end.

The Regional Outlook surveys each week three of the twelve business areas of the country.

Congress Warming Up for 1940

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That the prestige of Mr. Roosevelt has been enhanced by his war policies seems apparent enough. There is strong popular sentiment for keeping out of war (and United States entry certainly does not appear imminent), but at the same time American opinion is strongly pro-British and pro-French. There is no doubt where D.R.'s sentiments lie. Because he has succeeded in appealing to peace sentiment and pro-Ally sentiment at the same time, the President's chances for 1940 are better than they were when war broke out.

Regular Democrats have to be reckoned with, however. In the embargo fight, Mr. Roosevelt got more support from them than from the left-wingers, but they do not want him for a third term. Who the conservative Democrats' strongest contender will be is anybody's guess. Only Garner stands out now. Hull's star is rising, but next session's battle over his reciprocal trade policy probably will pull him down. Annexed by the White House, Federal Security Administrator McNutt may be the man to bind the party together, but he lacks Jim Farley's aid. Senator Wheeler's hope lies in his possibilities as a compromise candidate.

Truce Over—on This Side

The Republicans have been torn to pieces. Vandenberg may recover as the arms embargo issue recedes into the background. Taft has helped himself by his pro-repeal stand. Dewey has blinked out, blanketed by Attorney General Murphy and dismissed by elder Republican politicians as too young to cope with present affairs.

Since enactment of the neutrality bill ended the so-called truce, political strife has been flaming bright and hot. Bitter Republican opponents charge that the President is using the war to hide his failures.

The President's hush-hush on military affairs in general and industrial preparedness in particular is expected to let up. Some New Dealers, however, say that the quietus was more than a political move to lessen opposition to repeal of the embargo. They say it represented profound disillusionment caused by the

way the war has developed in Europe, which is still choosing up sides.

When the fighting really starts, Congress will find that repeal of the embargo has not solved everything. One ticklish question will be the sale of ships to Great Britain, which will be agitated as an outgrowth of the cash-and-carry system. Britain, presumably, will seek to buy vessels to replace those of her own merchant marine lost in the war and those American ships withdrawn from regular service by the requirements of the neutrality law (page 7). Another fight is foreshadowed by the fact that various more or less plausible reasons are being advanced for repeal of the Johnson Act prohibiting loans to debtor nations.

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Meanwhile, Europe's slow-motion war may have an economic repercussion that was not anticipated. Business men, who had highly resolved not to lose their heads over war orders, now realize that the volume of orders from abroad will be disappointing. Administration economists look for a deflation of the "inventory" boom—some more, some less—

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Farmers May Expect Liberality

Congress probably will tie the Administration down to spending for fairly orthodox purposes. Fair weather for business in 1940 remains a well-nigh universal hope by the New Dealers, despite inside predictions that there will be a drop in the first quarter. Agriculture can expect to be treated handsomely whether by Wallace's income certificate plan or some other scheme that will put more processors' money or more government money in farmers' pockets.

The WPA situation will explode in January. It is obviously absurd to assume that any business boom will liquidate unemployment, still reckoned at 9,000,000 in October, the month in which it is normally least. Reduction in WPA rolls from 3,100,000 to 1,850,000 since last January has more than kept pace with the increase in private employment, which has been largely concentrated in special lines. Possibly the President was warranted in assuming that \$1,477,000,000 was all he could get from Congress last session for WPA. Rep. Woodrum,



When the President signed the Neutrality Law last week, Congressional and Administration leaders stood together—(left to right) Sen. Pittman, Rep. Bloom, Speaker Bankhead, Secretary of State Hull, Vice-President

Garner, Senate Leaders McNary (Republican), Barkley (Democrat). However, the tableau marked the end of the truce; when the regular session begins, the 1940 campaign will unleash political rivalries again.

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Wide World

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chairman of the WPA investigating committee, believes that despite the cut of one-third from last year's total, WPA can and should make both ends meet. But Congressmen will return in January with a clamor in their ears for an increase.

Do not regard tax revision next session as a sure thing. Rep. Jere Cooper's subcommittee and Treasury experts are mulling over various tax proposals—with nothing drastic in mind. Some changes being considered are designed to remove hindrances from business. It is widely recognized that only a sustained uplift in business will close the long gap between government receipts and expenditures. In campaign year, however, Congress may steer clear of the whole subject. This aloofness is expected to extend to "war profit" taxation, and to the Administration's feeler on raising a \$500,000,000 defense fund by special taxes.

Hold Off from Labor Fight

The outlook on labor legislation is obscure, but the chances are against revision of the Wagner Act and wage-hour law. Many employers and labor organizations are reluctant to resume this fight under present conditions. The A.F.L. is pretty well satisfied with the "cure" that William M. Leiserson is working in the Labor Board. While John L. Lewis is saying nasty things about the Board, he is believed to be trying to heckle his way back into White House influence by threatening to part company with Roosevelt as 1940 approaches.

No prophet can write the legislation that may grow out of the report that the

Temporary National Economic Committee expects to submit to Congress by February. It is not likely that Congress will adopt Sen. O'Mahoney's proposal for federal licensing as a means of regulating corporations doing an interstate business, even if that is recommended by TNEC. Arnold's proposals for sharpening of the anti-trust laws also are likely to be ignored at a time when congressmen are disposed to let business alone and have only to point to industry's vital role in a preparedness program. TNEC's short-range objective is to keep the lid down on prices. The Administration's notion is that checking price increases will diminish scare buying.

Sen. Wagner's subcommittee on banking seems in no hurry to get under way. But the Federal Reserve, Treasury, and Federal Deposit Insurance Corporation are diligently preparing to do their part, in helping the committee to formulate a coherent monetary and banking policy.

A new transportation bill that will aid the railroads, principally by subjecting water competition to some measure of minimum rate regulation by the Interstate Commerce Commission, will be forthcoming early in the session.

Air Arbitration

Col. Gorrell draws up plan for settling any arguments among air transport lines.

WORD GOT AROUND this week that the Air Transport Association of America had worked out a code of practices with

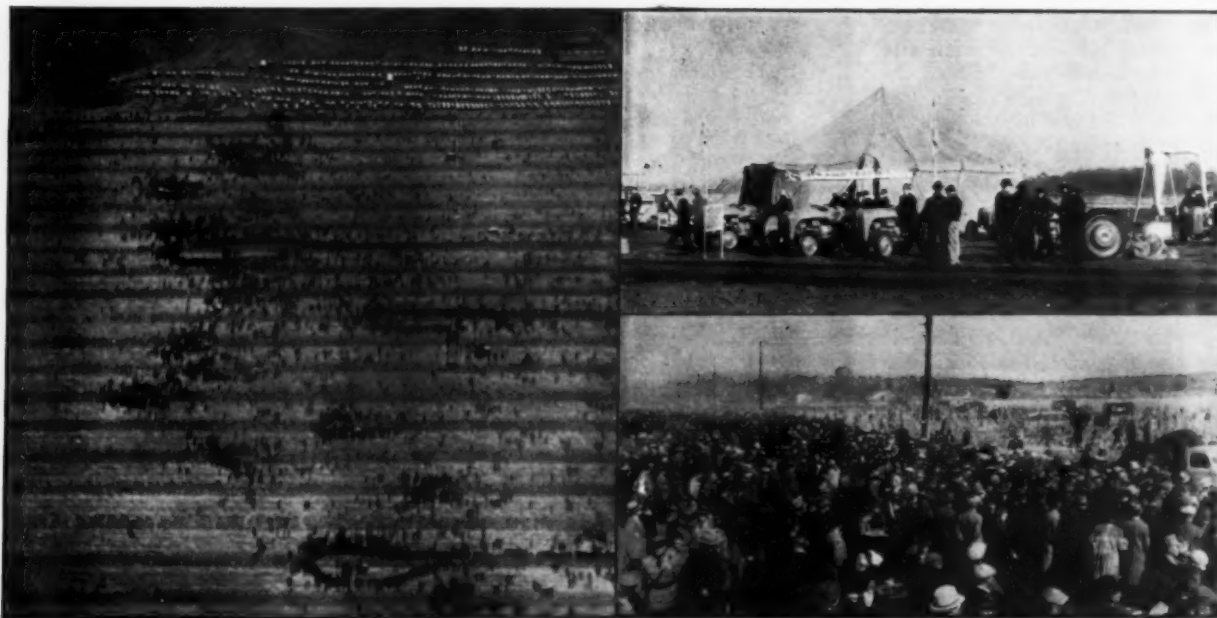
as long, sharp teeth as those of the code currently under consideration by the Distilled Spirits Institute (BW—Oct 28, p16).

Col. Edgar S. Gorrell, president of the Air Transport Association of America, cheerfully admits that an agreement is up for ratification by the major airlines. He denies that this trade treaty could be any stretch of the imagination be termed a code of ethics or code of practices for his industry. He refers to it as the "Air Carriers Arbitration Agreement," expects that it will be accepted very soon.

Pact for Standard Procedure

Col. Gorrell maintains that the Air Carriers Arbitration Agreement is just a pact by which the airlines agree to a standard method of arbitration—that of the American Arbitration Society. In future, when any intra-industry contract is drawn covering traffic, maintenance, operations, and any field of activity not under the enforcement jurisdiction of the Civil Aeronautics Authority, all parties will be asked whether they are willing to include an arbitration clause to permit peaceful adjudication without washing dirty linen in public and thus risking further attention from the enthusiasts for onerous governmental regulation. If so, any future arguments will be submitted to arbitration, the arbitrating panel to be supplied by the Society.

Further details should be available in a week or two. Col. Gorrell says that he is going to produce a news release on it just as soon as he has time. But he does not expect to have time until everybody has signed on the dotted line.



Farmers from every corn-growing state flocked to Cornville, a temporary village near Lawrence, Kan., last week for the National Cornhusking Contest, an annual competition sponsored by farm papers in eleven states. Much easier to view than this "bangboard derby"—an

aerial view shows how the crowd clusters around the favorites—were the exhibits of farm machinery, which included mechanical corn-pickers, of course. Largest exhibit in the Middle West this year, it chalked up an attendance of 100,000.



John J. Raskob, director, and Donaldson Brown, vice-president of General Motors, talk it over between sessions of the G. M. trial at South Bend, Ind. Ford and Chrysler signed

consent decrees after the government charged them with anti-trust violation in their financing of retail auto sales, but G. M. wanted to fight it out. It's likely to take all winter.

Car Makers Say "15% Better"

Production rush reflects heavy orders, also desire to get ahead of any more labor stoppages. Figure used-car drive can wait until spring.

AS NEAR AS IT IS POSSIBLE to estimate, automobile business is running about 15% better than a year ago but direct sales comparisons are ruled out by the shift in announcement and show dates and by variations in time of starting new model production. Right now, most major car companies are more concerned with boosting production schedules than with retail deliveries since most of them have a sizable bank of unfilled retail orders to work against.

Problematic also is the influence of the Chrysler tie-ups on the sales of other companies. Undoubtedly General Motors and Ford are beginning to pick up sales normally going to Plymouth, Dodge, et al., despite the fact that Chrysler retail orders are still mounting.

In G.M. Buick is continuing to make the best comparative showing and is far ahead of even 1938 performance—with a new sales peak for the year in October. Chevrolet is hard put to turn out its scheduled 260,000 cars for the final quarter.

Over the show period Studebaker managed to sign up a sizable number of new dealers on the strength of its success with the new "Champion," brought out last spring. Ford production is still running behind retail orders, but is steadily climbing and beginning to cut into the bank of 100,000 unfilled. Nash, de-

spite a three weeks' strike, more than doubled its October retail deliveries compared with last year. Willys is running well ahead of 1939. Packard on Nov. 1 had twice as many unfilled orders as on the same date in 1938. Hudson, which has picked up numerous dealers, turned out in its first 11 weeks of fall production, more than half as many cars as it produced during its entire 1939 model season.

Better, Even with "Buts"

Apparently most companies will make little attempt to put a halter on new car sales for some time to come. Dealers' used-car stocks, which are quite normal considering the rate of car movement, will seemingly be allowed to climb during the late fall and early winter months, leaving the liquidation problem for later in the spring. Influencing this decision is fear of labor difficulties for other producers in the wake of the Chrysler embroglio. Consequently the new-car delivery record may, during the coming months, give an appearance of even better automobile business than is actually the case.

Though parts manufacturers are still running ahead of 1938, some dropping off in parts production by suppliers is already noted. This is due partly to the Chrysler and Borg-Warner tie-ups, partly

to anticipation of a seasonal slackening of assemblies during December.

Even with all these factors taken into consideration, however, the short-term outlook is still better than at the same time last year.

Soybean Exports Soar

Europe will buy 15,000,000 bu. of "most versatile vegetable"—a gain of almost 500%.

WITH EXPORTS of soybeans expected to total about 15,000,000 bu. this year—an increase of almost 500% over last year's 2,645,000 bu.—boat-loads of beans were moving out of Chicago this week at an unprecedented rate as shippers hurried to escape winter's grip on the Great Lakes. Most of these cargoes were consigned to Montreal, there to be transhipped to European ports—Great Britain, Holland, Belgium, and the Scandinavian countries.

No item of consequence in the last war, the soybean takes on new importance in these days of *Ersatz* economies—which explains why Germany last month was negotiating with the Soviet Union to obtain permission to ship the commodity from Manchuria, principal producing area, over the Russian state railway.

The soybean is still used primarily as animal feed and as a human food, but its industrial uses—for example, in the production of plastics—account for a steadily increasing portion of the crop. Henry Ford's \$5,000,000 processing plant at River Rouge takes in soybeans and turns out window frames, gear shift knobs, horn buttons, distributor caps, and automobile paint. A host of other companies are similarly putting the bean to new and unusual uses. And the research laboratory which was established at the University of Chicago by the Department of Agriculture three years ago is continually seeking new industrial fields for the useful yellow legume to conquer.

Used More Widely Here, Too

The dramatic increase in exports almost obscures the domestic gain that the bean has made; nevertheless consumption here should be up about 5,000,000 bu. this year, for the 1939 bumper crop will probably yield around 75,000,000 bu. This would be 31% larger than the crop last year and 15 times bigger than the crop 15 years ago. Total acres seeded to soybeans have jumped from approximately 1,782,000 in 1924 to 8,120,000 this year, and the yield per acre has advanced from 11 to 21 bu., thanks to scientific farming and the development of better strains.

Last year, there were about 50 mills refining soybean oil, including a few cottonseed-oil mills, an equal number mak-

ing soybean food products and soybean flour, and more than 75 factories turning out industrial products from the bean. One instance of expanding interest in soybeans is furnished by Swift & Co., which began building a \$300,000 crushing mill at Des Moines, Ia., last spring, and last month announced plans for another plant, at Fostoria, Ohio.

Cash, Feed, Soil-Replenishment

In any competition for the title of most versatile vegetable, the soybean would be a leading contender. It can be grown as a cash crop, a feed crop, or solely to replenish the soil, being well adapted to crop rotation in the Corn Belt. Moreover, it is relatively free from the chinch bug and other crop pests, and can withstand severe drought.

When the bean is crushed, the extracted oil is used in vegetable shortening, butter substitutes, paints and varnishes, linoleum, soap, printing inks, and as a lubricant. The meal that is left goes into livestock foods, fertilizers, plastic materials, and glue. At present, however, more soybeans go into shortening than into all other products combined. Furthermore, their use in margarine, other edible products, paint and soap is quite large.

So far, the soybean seems to have lost ground in only one field; it hasn't been able to hold its Civil War market as a coffee substitute.

Oregon Labor Peace Only a Truce

Employers and unions lean backward to avoid any overt act while anti-picketing law is fought through the courts. Showdown on main issue still to come.

OREGON'S ANTI-PICKETING law is one year old this week.

Enacted in November, 1938, in an atmosphere of horrified reaction from Portland's long siege of goon squad terrorism, the law has been regarded by most Oregon employers, and by the Oregon public generally, as "a good thing"; by union officials as an outrage, "an invasion of the rights of organized labor."

So far the law's effect has been chiefly psychological. Neither employers nor unions have committed any overt act resulting in a clear-cut test of the heart of the statute, the provision which outlaws a strike and picketing unless 51% of an employer's workers take part. The present position of both sides appears to be that "one is scared and the other dastent."

On the surface, the state is enjoying labor peace, welcome because of the turmoil that preceded it. Picket lines which formerly cluttered Portland streets are gone. In the absence of open strife, most

employers see a return to law and order. Unions (and some employers) see "the lull before the storm."

The peaceful era will end, union leaders predict, if the law is upheld in the courts. It already has weathered the first court test (*BW—July 15 '39, p. 43*) and this week is well on its way to the second. Last April, the Oregon State Federation of Labor (A.F.L.) and the Oregon Industrial Union Council (C.I.O.) joined with the four railroad brotherhoods (*BW—May 13 '39, p. 32*) in attacking the law. They based their case on 57 points under Oregon's declaratory judgment statute, by which a citizen who believes that a new law threatens his rights under the state constitution may appeal for court protection.

Overruled, the unions have appealed to the state supreme court and hearings are expected early in 1940. There is little doubt that the United States Supreme Court will be asked for a final ruling.

Meanwhile, both sides appear to have called a truce. Employers are leaning over backward to avoid even the appearance of persecution. They have invoked the law only in a few minor cases, and there have been no convictions. They do not want to furnish any evidence that the statute is repressive.

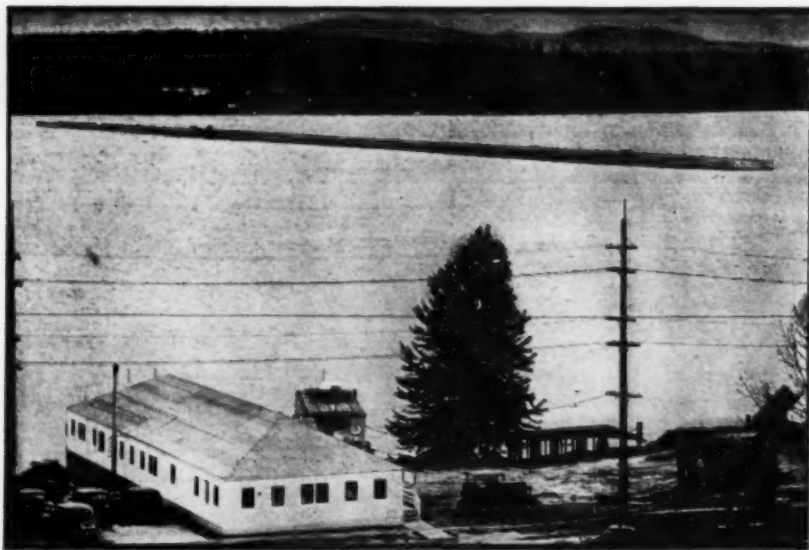
Jurisdictional Disputes Curbed

Unions, trying to recapture public good will that was lost with conviction of some 60 labor racketeers in 1938, are loath to be cast as law violators. Although union attorneys, national and state, have advised their clients to ignore the law, Oregon leaders have not followed their advice. Individual unions are thinking twice before popping a strike. Jurisdictional scraps, except in the lumber industry, have dwindled, partly because the law has brought greater unity between A.F.L. and C.I.O., and partly because the act makes a legal jurisdictional strike almost impossible.

There is quite a show of increasing good will between the larger employers and the more conservative union leaders. At the 1939 convention of the State Federation of Labor, a resolution was passed directing officials to carry on "roundtable conferences" with Chamber of Commerce representatives. Several meetings have been held, and joint committees are studying such mutual problems as bank credit for union members, industrial safety and health of workers.

Test of the conferences will come

Lake Washington's Concrete Pontoon Bridge



Because the great depth of the water, a 100-ft. mud bottom, and a 7,800-ft. crossing from shore to shore made an ordinary structure impracticable on Lake Washington, Seattle, Pontoon Bridge Builders, Inc. is throwing a concrete pontoon bridge across the lake. Construction will

probably be finished by July, though the 26 pontoons should be in place by March. Overall cost of the project, including approaches, will be \$8,854,000—about half the cost of a usual structure in the same place. A second concrete pontoon bridge is underway at Hobart, Tasmania.



These Comptometers in Hygrade Sylvania's General Accounting Office are used on sales accounting, taxes, profit-and-loss, analyses, etc.

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"In our organization, it has always been important that accounting records of costs, sales, and profits be determined promptly and accurately, and that operating figures each month be compared with the budget at the earliest possible moment.

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this work for more than twenty years. Their high speed, flexibility, Controlled-Key and other exclusive accuracy safeguards enable us to prepare our various reports promptly and at low cost.

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For information on the application of "Comptometer Economy" to your own figure-work problems, and a demonstration on your own work, telephone your local Comptometer agency. Or write direct to Felt & Tarrant Mfg. Co., 1733 N. Paulina Street, Chicago, Ill.

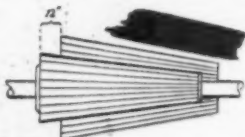
COMPTOMETER

REG. U. S. PAT. OFF.

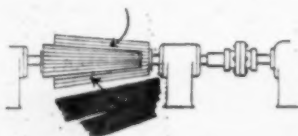
KOPPERS FAST'S COUPLINGS

SOLVE PROBLEM OF WEAR IN JORDAN MACHINES

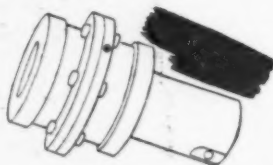
THE JORDAN MACHINE in a paper mill has a cone-shaped drum with projecting knives and it revolves inside a chamber lined with knives. Between these two sets of knives, the pulp is shredded.



THE FINENESS OF THE PULP is determined by the setting of the plug. The plug moves in or out as much as 12 inches.



OLD-TYPE COUPLINGS produced a crank action, throwing the Jordan plug out of its true center.



FAST'S SELF-ALIGNING COUPLINGS eliminated this condition and thus greatly prolonged the useful life of the Jordan lining.

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If you have any problem of misalignment in power shafts, Koppers may be able to help you. If you have any problems in any of the following fields, Koppers may have the solution with some of its products: Coal and Coke, Coal Preparation Systems, Coke and Gas Plants, Purification and Recovery Equipment, Boiler and Industrial Electric Power Stations, Industrial Chemicals, Creosote, Municipal Incinerators, Castings, Special Machinery, American Hammered Piston Rings, D-H-S Bronze, Materials-handling Systems, Pressure-treated Timber Products, Tarmac Road Tars, Roofing, Waterproofing, Bituminous-base Paints, Ships, Barges.

Koppers Company, Pittsburgh, Pa.

K O P P E R S

shortly when unions ask the chamber's help in reducing chiseling among small employers (especially in Portland restaurants and theaters) which union officials contend is largely due to the anti-picketing act. Many "union houses" in Portland, they declare, are paying wages less than the union scale.

Although Oregon has been comparatively free from strikes and picket lines (except on the docks which are a coast-wide, not a local, situation) labor disputes apparently have not dwindled. The Portland Central Labor Council, has handled 77 disputes so far this year compared with 65 in 1938. Twelve were settled before the firms were placed on the unfair list, 20 reached the blacklist stage and then were settled. The others either remain unsettled or have petered out.

Unions See Loophole

The only significant court action (except for the unions' plea under the declaratory judgment act) took place in September when an injunction was demanded by the Lewis & Clark Boom Co. to prevent boycott by the Boommen & Rafter Union. The court finally refused to make its temporary injunction per-

manent, but union attorneys are not enthusiastic. They believe the proceedings revealed a serious legal loophole for the employer evasions of the law.

Under the statute, it is unlawful to boycott or picket, directly or indirectly, the business of a company not actually involved in the labor dispute. The boom company's operations are carried on by a subcontractor who hires employees. The firm contended that the union's boycott against its business and property was illegal because it hired no employees and therefore could not be involved in a strike. The subcontractor, who had handled the work for six years, argued he had no employees since, by terms of his contract, his connection with the boom company ceased in event of a strike. (The 51% aspect of the law wasn't an issue; all the subcontractor's employees were out.)

A permanent injunction was denied because the subcontractor admitted he showed no evidence of the contract's termination by removing his equipment from Lewis & Clark property. The unions see no victory in the court's decision, but a suggestion that any smart employer can completely immunize himself from a legal strike by subcontracting his employment.

TNEC Watches Commodity Prices

Several markets correct themselves after a series of wartime pranks. Combatant nations fail to develop extraordinary demand for raw materials.

THIS WAR has played some disconcerting pranks on American commodity markets. But, in the final analysis, it has justified the contention (*BW*—Sep 16 '39, p 15) that it may be a good thing to take it easy when markets ignore the portents of the time-honored law of supply and demand.

That many important industrial raw materials scored striking gains in the first half of September is a matter of history. Oft repeated was the phrase, "You can throw the statistics away." And, had it turned out to be a war of movement, that might have been true.

As things stand, however, combatant nations have not as yet experienced any really extraordinary demand for most raw materials. They have restricted prices on all but a very few items for which they were willing to bid, and they are rationing the goods in their stock piles. These restrictions have had a restraining influence on prices, as have the many warnings on profiteering from Washington.

First important step, and about the only official act by the federal government to date, was removal of sugar quotas. The result is that raw sugar, after rising more than 31% from Aug. 31 to Sept. 7, has since relinquished almost its entire advance. In other directions,

federal authorities have tried to talk prices down pending the time when it might be found desirable to ask Congress for some new emergency powers.

As this week started, however, it appeared that the Temporary National Economic Committee had appointed itself watchdog over the commodity price structure and that it proposed something just a bit more tangible in the way of a program. The TNEC plans to check up on prices periodically. If some seem to have risen unduly, it will consult with the Department of Labor and the Department of Commerce as to reasons. The threat is to turn over to the Federal Trade Commission and the Department of Justice those cases in which the facts and figures seem not to support the price advance.

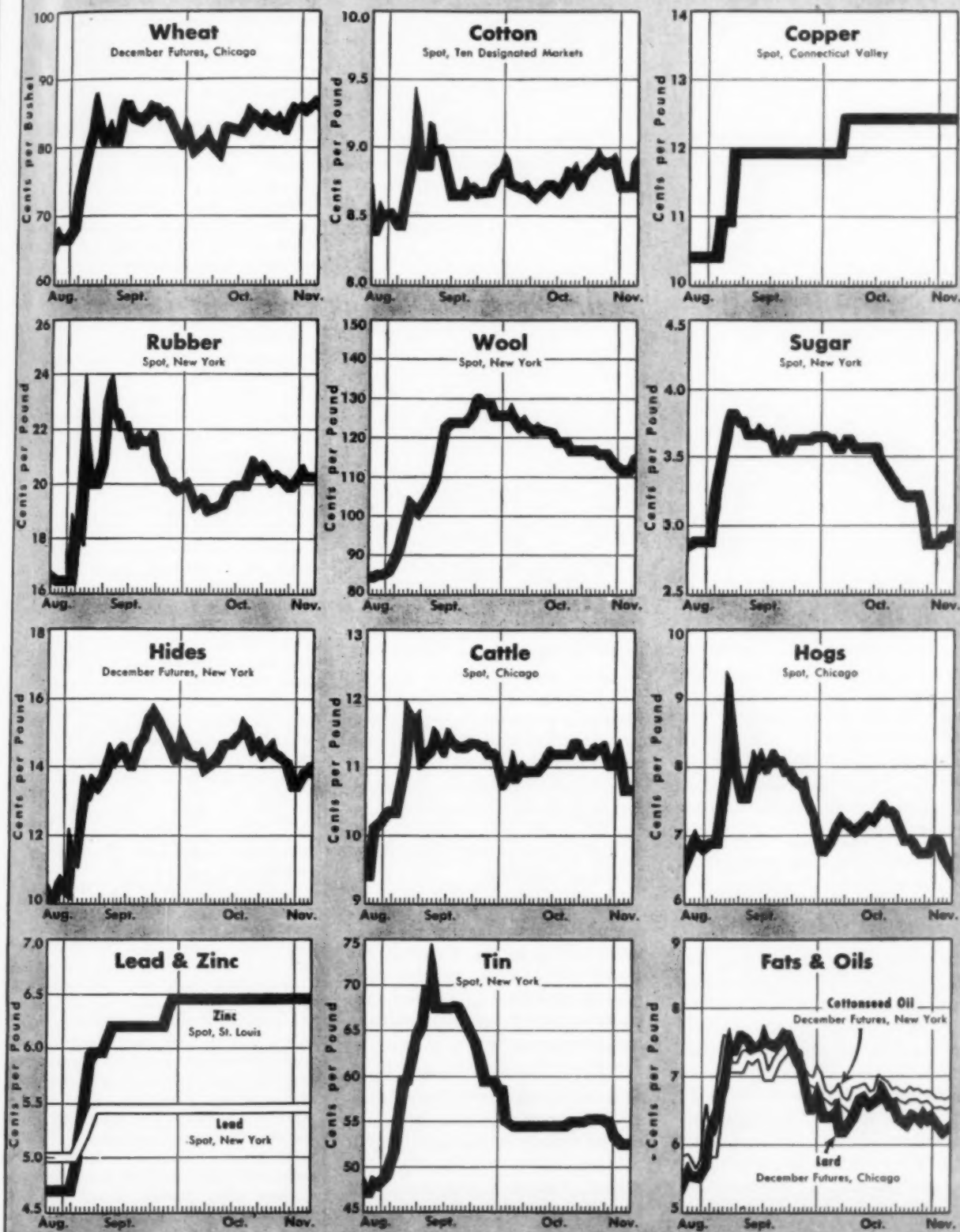
"Forum" on Price Movements

More immediately, though, the TNEC is going to conduct a study of the whole situation. This is described by Chairman Joseph C. O'Mahoney as "a forum in which price movements in the unusual conditions which now exist may be open to public knowledge." The TNEC can, nevertheless, do a good deal more than set up a discussion group. Its findings are the very stuff the Administration would



COMMODITY MARKETS COME TO THEIR SENSES

Supply and Demand Again Rule Prices After Period of War Frenzy



Business

begins with BUYING

by Westinghouse



• A manufacturer must buy before he can sell. He must buy the raw stuff that goes to make the finished product; he must buy machinery and the plants to house it, and must hire the men without whom the finest equipment in the world would be just so much worthless scrap.

• In our particular case, being a large manufacturer, we are first of all an enormous buyer. If all of the copper wire we buy in a single good year were converted into sixteenth-inch wire, the strand would stretch over 209,000 miles—enough to wind eight times around the Earth. And the insulating yarn we buy could be looped 36 times from Earth to Moon.

• We use enough steel and iron each good year to build two railroad tracks 2,290 miles long—or a couple of Oakland Bay Bridges.

• We buy a lot of gas, oil, hydrogen, nitrogen and oxygen; we are a huge consumer of gold, silver, mercury and tungsten. You won't find the kind of sapphires we use for bearings in a jewelry store—nor would you find a jewelry store in the world that could supply the 20,000,000 jewels we need each year. We even buy diamonds and use them as dies for drawing very fine wire. Though most of our pur-

chases run into tremendous quantities, one of them, last year, amounted to just one ten-thousandths of a gram. That was radium, and it cost \$300.

• Every one of the forty-eight states and Alaska are important suppliers of ours. Twenty foreign countries contribute materials not produced in America. Almost literally, every industry and every farm produces something that we use.

• "What in the world can a farm grow for Westinghouse?", you ask. Just to name a few things—oat hulls, molasses, grain and sugar cane for alcohol, dextrine from corn, flour and straw for making foundry cores, lard, sugar, lumber and tapioca; also leather, wool, cotton and meat products. It all adds up to this. Each year we buy more than \$100,000,000 worth of the products of industry and farmers. Some of our people have estimated that these purchases give work to about 36,000 persons annually. This is in addition to our own 43,000 employees who fabricate these materials into a vast number of machines and appliances which increase the permanent wealth of America.

• Who gets this wealth? Why, the industries and farmers who sold the materials to us, of course. It's really nothing but an elaborate process of swapping. We swap what we make for the materials needed to make our products.

• That's why we cannot consider ourselves as a separate industry. Along with thousands of others, we are merely an essential cog in the tremendous process which has created American prosperity and the American way of living.

need if it were to ask Congress to vote controls on profiteering.

Meanwhile, several of the markets have corrected themselves. Tin, which soared a bit more than 50% in the first half of September, has slid back from its peak of 74½¢ a lb. to around 53¢ for immediate delivery. Contracts for delivery toward the end of this year can be completed around 49¢ and still more distant deliveries are being arranged as low as 47¢.

Tin's Shipping Quotas Raised

The situation in tin was extremely tight when the war broke out. Stocks in this country, afloat to American ports, or contracted for on docks in the Far East, totaled only about 9,000 tons (domestic consumption is put at about 6,000 tons a month). A wave of speculative buying was inspired by fears of shortage, of shipping difficulties, and of insurance costs on this, the dearest of base metals. The international tin committee, however, repeatedly has adjusted shipping quotas upward. For the fourth quarter of 1939, they have been raised to 100% of standard tonnages. And American consumers of tin have been placing orders directly in the Far East for substantial tonnages at from 45¢ to 50¢ a lb. As a result stocks of tin in this country, afloat and on docks, are up to more than 23,000 tons and the market is quite comfortable.

The relapse in tin is an extreme example of the rise and fall in the commodity markets, but it serves to highlight an error of judgment which was more of less pronounced in many other raw materials. The following tabulation, as well as the charts on page 21, show what has happened:

	War Peak	% Gain		
		Date of Peak	Aug. 31	Since Peak
Wool (lb)...	\$1.31	9/23	51.4	11.5
Tin (lb)....	74½¢	9/13	51.3	28.9
Hides (lb) ..	15.84¢	9/23	48.6	10.9
Rubber (lb) ..	24.0¢	9/5	44.4	15.0
Zinc (lb) ...	6½¢	9/28	36.8	...
Lard (lb) ...	7¼¢	9/16	35.5	18.1
Hogs (cwt) ..	\$9.40	9/6	36.2	29.5
Sugar (lb) ..	3.85¢	9/7	31.8	22.1
Cottonseed				
Oil (lb) ..	7.6¢	9/23	32.2	11.8
Wheat (bu) ..	88½¢	9/7	28.6	0.9
Copper (lb) ..	12½¢	10/5	19.0	...
Cattle (cwt) ..	\$12.00	9/6	15.9	10.4
Cotton (lb) ..	9.44¢	9/7	10.4	5.3
Lead (lb) ...	5½¢	9/7	8.9	...

In the above tabulation, the commodities are arranged in order of the size of the gain scored at the outbreak of war. It will be noted that lead—a war baby—had the smallest rise. This may be explained by the attitude of a leading producing interest which refused to let the market run away. The zinc people, on the other hand, were satisfied to let the price run up nearly 37% before they stopped it. Hogs and pork products have declined fairly sharply due to the fact that expected British demand has been slow in developing and that slaughter runs continue large.

HOUSING

More "Basic Houses"

Idea developed for factory workers is extended to a white-collar suburb of Chicago.

IT WAS ONLY a question of time until someone else would try the "basic house" idea successfully developed by Hoess Bros. of Hammond, Ind. (BW—Jul 22 '39, p. 20). Sure enough, houses that provide shelter for a family but leave much of the final building work to the new owner are now springing up in a tract just outside Glen Ellyn, Ill., a residential rather than manufacturing suburb west of Chicago. The first house was completed last week, was sold almost as soon as it was shown. Price \$2,250.

The Glen Ellyn tract was subdivided 47 years ago, has been a dead dog ever since. Recently the mortgage holders took title, decided that basic houses offered the one hope of turning it into cash. Joseph H. Wagoner, local real estate man, is handling the job.

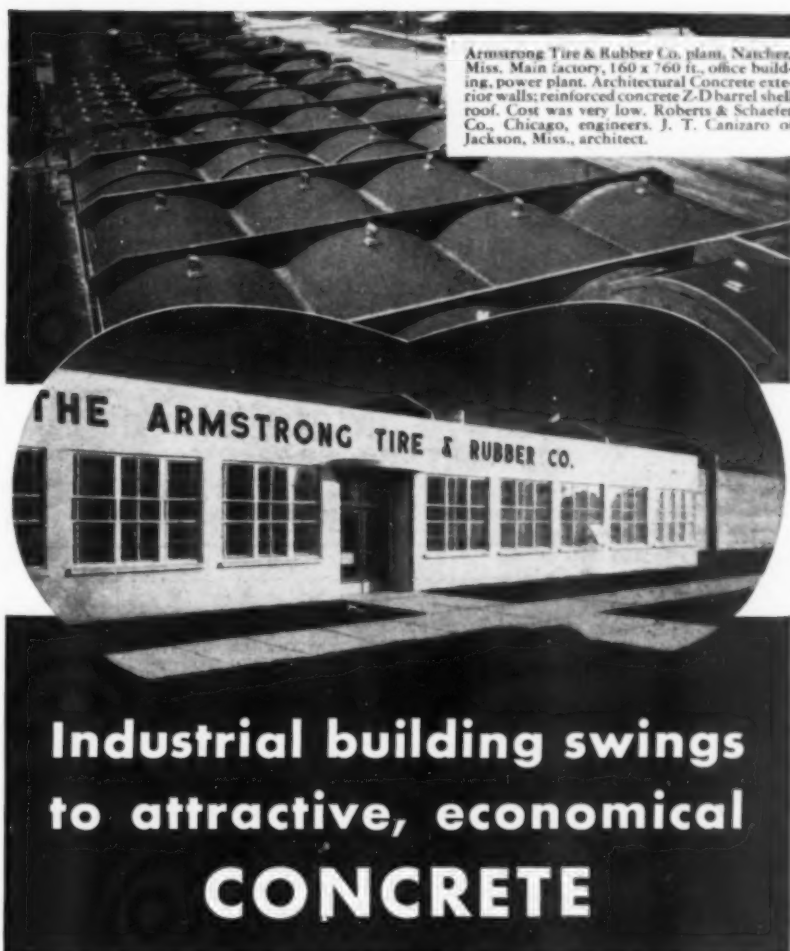
Modest Shelter for the Ambitious

Prospective purchasers for the Glen Ellyn project are unlikely to be factory workers—the town is too high-toned. Young white-collar families, for the most part, are the inquirers, people who cannot find housing within their financial reach inside the town. They will not plan to spend a lifetime in these small houses, but will consider them temporary shelter until they get into the bigger money.

This close-in land is inherently more expensive than that of the Hoess subdivision eight miles from town. Also, office workers are likely to look to tennis and golf for their outdoor fun, rather than to vegetable raising. Consequently, the lots are 50-ft. front with depth varying from 150 to 250 ft. This leaves room for a good garden, but not for a subsistence homestead such as the Hoess project is based upon. Wagoner believes that office employees, who do not have to plan against layoffs and slack seasons, would not put their hearts into back-acre farming.

Price Is on Incomplete Unit

The Hoess technique is to start putting up a house, expecting to sell it while it is being erected—and willing to sell it at any stage after it is enclosed from the weather, with appropriate reductions from the finished price. Wagoner is going ahead to build the house as a shell, painted outside and with partition frames installed but not covered. The owner is expected to put in his wallboard, install his plumbing and heating, drill his well, and construct his cesspool. His price is



Armstrong Tire & Rubber Co. plant, Natchez, Miss. Main factory, 160 x 760 ft., office building, power plant. Architectural Concrete exterior walls; reinforced concrete Z-barrel shell roof. Cost was very low. Roberts & Schaefer Co., Chicago, engineers. J. T. Canizaro of Jackson, Miss., architect.

Industrial building swings to attractive, economical CONCRETE

For the largest factory in Mississippi, Armstrong Tire and Rubber Company built with Architectural Concrete.

With full consideration given to permanence, lowest possible maintenance costs, and reduction of fire hazard and insurance rates, the choice of concrete was a natural one for this as for hundreds of other industrial structures. In addition, concrete offers speed of construction plus structural adaptability to layout requirements. It is equally suitable for factories, warehouses, industrial plants, docks, wharves and power plants.

Your architect or engineer can tell you how concrete holds down the cost of good appearance by

combining structural and architectural functions in *one* material.

PORTLAND CEMENT ASSOCIATION

Dept. 11-12, 33 W. Grand Ave., Chicago, Ill.

A national organization to improve and extend the uses of concrete . . . through scientific research and engineering field work.



This 40-page booklet is packed with technical information and illustrations that will be helpful to your architects and engineers. Sent free in U. S. or Canada.

Architectural Concrete

Walls and ornament cast integral with frame and floors in one rugged, fire-safe unit

on the incomplete unit. Carrying the structure and fixings further toward livability costs extra, but can be handled through the general contractor if the owner cannot or will not do it for himself.

Plan's Financial Arrangements

The setup is pretty much like that under the Federal Housing Administration's Title I low-cost arrangement, except that Wagoner is putting up the house first instead of selling it from the plans. Wagoner's principals stipulate 6% interest on the sales contracts, but if any prospect wants to order a house built for FHA Title I financing at 4½% they are entirely willing to oblige him.

The house sold for \$2,250 was 28' x 20'. The second house, 28' x 30', is \$2,500. On the \$2,250 unit the building contract runs about \$1,600; the 50' x 216' lot is figured in at \$400. The remaining \$250 provides for selling expense and profits. Selling terms are 10% down, and the balance \$25 a month. At 6%, this pays out the mortgage in a little more than eight years.

Wagoner is going ahead to build 30 of these little houses on the one owner's tract. Owners of adjacent parcels are already asking to have the same plan extended to their land, and money is already offered to finance their development. So, if the stunt works out as planned, it may keep going indefinitely.

How Is Your House?

Census-taker will be asking, if plans for housing survey in April are carried out.

LAST SESSION Congress authorized expenditure of \$6,000,000 for a housing census, to be taken in connection with the general census next April. That the housing survey will actually be made is not yet definite, but the Bureau of the Census is preparing the questions.

Some questions concern sizes of family dwellings in different areas, the degree of crowding, rentals paid, and the percentage of vacancies in houses of various types. In addition, a certain amount of structural information would

be obtained—whether houses are multiple or individual dwellings, whether they are of brick, wood or other construction, and what their apparent condition is.

It is believed that the census would be useful to real estate men and builders in planning their activities, particularly since the figures for each locality would provide a base for later sampling surveys.

Congress could use the data in determining the need for public housing. Census officials have not forgotten that

the survey was approved immediately after the House had turned down an additional authorization for the United States Housing Authority.

The information would be broken down by census districts, which are more or less homogeneous areas of about 1,000 population. One fear is that the amount authorized (it was not appropriated) would not be enough for the housing survey. It works out to about 23½ cents per report, as compared to a cost of 66 to 85 cents for the real property inventories that have been made by the WPA.

Main Street Remade, by a Briton

New block of stores in Linden, N. J., marks first American adaptation of decentralization plan tested in London's environs for last 17 years.

SEVENTEEN MILES from New York City, in one of the industrial communities which grow up like Topsy around any large city, a young Englishman with an idea was making himself prominent this week. The town, Linden, N. J., was about to celebrate the completion of a new block of stores built under the direction of Edward Lotery, according to a plan which he has perfected during the past 17 years in the environs of London.

The principles involved are relatively few and simple: (1) that suburban areas should have planned shopping areas instead of helter-skelter building; (2) that such planning must be tailor-made in each case on the basis of exhaustive study of the needs of the community; (3) that the construction job itself should be both useful and attractive; and (4) that shoddy work or skimping in the building will cost more than it saves.

Lotery, not yet 38, is the son of a prominent London clothing manufacturer who became interested in the real estate end of his father's and grandfather's business and was set to studying prospective store sites as a young man of 21. He developed the decentralizing theme in and around London, bit by bit, until he had promoted some 80 developments, each

site featuring anywhere from two to 80 stores as a nucleus for a new business center designed to serve a growing home area.

By the fall of 1938, under the name of Greater London Shop Properties, Ltd., the Lotery enterprises included thousands of feet of store frontage, to a value of several million dollars, and all built on a recognizably distinctive pattern, with a clean, pleasant facade, stores on the ground floor, and apartments above.

Looks Into Possibilities Here

When war clouds gathered over Europe last year, Lotery made a business scouting trip to the United States. Between September, 1938, and July, 1939, he made nine crossings, and each trip picked up information about the opportunities of decentralizing shopping around New York City. Last April, he moved his family over, and began to build an American staff.

It took some time to settle on Linden as a site, but the English developer says that the New Jersey community is a perfect example of an industrial town which needs to remake Main Street. Linden once was a just a wide place on the highway, and as late as 1920 had but 8,000



Two business blocks in Linden, N. J., as they looked on Nov. 6, 1939. The block on the left "just grew" with the town, and there were no restrictions on the tenants. The

other block is the planned development which is luring national distributors to Linden, formerly turned down as a bad business bet.

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inhabitants. During the 'twenties, however, a large number of factories came to the neighborhood, and the population today is around 27,000. Some 65 plants, covering 45 different industries, employ the Linden people.

General Motors Corp. has a large assembly plant there, and other well-known firms are Merck & Co., Simmonds Bed Co., American Cyanamid Co., Standard Oil of New Jersey, Cities Service, du Pont, Hilton Clothing, Sinclair Oil. There has been a mushroom growth of housing and apartments, and of shops of every size, class, and character.

Lotery teamed up with an American real estate firm, A. B. Ashforth, Inc. of New York, got his credits established from Barclay's Bank of London through the Manufacturer's Trust on this side, hired an American contractor and an American architect. Ashforth, the real estate firm, assigned one of its directors, Hanford M. Twitchell, to spend a year with Lotery in London and in New York, as preparation for the purchase of the first land in Linden and the beginning of operations.

Spending for Quality

When the Linden block is full of tenants, about six weeks hence, it will house an A&P. super-market, a bakery, Woolworth store, shoe store, jeweler, small department store, and perhaps a men's clothing store. These tenants all were selected, talked to, signed up after agreement on certain principles. For example, Lotery insists on spending money for quality. He encourages the tenant to spend more on store front than bare necessities call for (the baker laid out \$2,600 for this item and says he is glad of it).

The shoe store is to be a unit of the Miles chain, which until now has had no Linden outlet. Lotery and Twitchell went to the Miles headquarters, convinced the executives that new housing, new bus lines, factories, etc. were important reasons for coming to the town. The company further was shown that the new building block, opposite the city hall, was probably going to act as a magnet for shoppers. Although previous suggestions had been turned down, relative to establishment in Linden, the Miles company now is taking a 20-year lease, and has spent several thousand dollars on its store front and shop.

Goes after Needed Merchants

This example illustrates best, perhaps, the Lotery theory. With a brand-new building, any entrepreneur probably could lure tenants away from older quarters, or could fill up the space with food stores and restaurants. Lotery figures that most communities need some tradesmen that haven't come in, and sets out to get them. If he can get tenants with good character and good reputations, according to the London experience, he can

raise the city and

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raise the entire shopping total of the city and make money all around.

In any event, the advent of the new block has made noticeable changes in Linden's main shopping street, already. In the two blocks of older stores, new fronts are going up in a dozen places, and interiors are being modernized all down the row. The stores which became the first tenants in the new block, opening for business as soon as they could get in, report an early business of approximately twice what they had counted on. The store managers themselves seem to be convinced that the extra money they reluctantly spent on premises and front has brought much extra business.

Has Other Towns in View

From Linden, the Lotery staff probably will move to some other near-New York community. It now has several under consideration. Lotery has purchased land in two other towns, and now has a survey staff going around talking to tradesmen, civic leaders, and prospects for new stores in these communities.

From a technical viewpoint, the Linden property stands up well under scrutiny. Although the present shops occupy only one floor, the steel girders are there for another story if needed. The facade rises to a height of 44 ft., although only one floor actually is finished. Exterior construction is of brick, and it is interesting to see the inspectors carefully going over the back of the building as well as the front. This is one way in which Lotery spends money—in hiring extra supervisors to see that nothing is slighted on the job.

A couple of American builders have been out to look the Linden job over, and may adapt some of the Lotery principles in their own construction jobs.

Tax Delinquent Land

MICHIGAN HAS A LAND BOARD to handle tax-delinquent land taken over by the state. This unusual set-up was created by the 1939 state legislature. On Nov. 3, 550,000 parcels of land—waste land, abandoned farm land, and improved properties—were taken over by the state for tax delinquency, and handed to the new land board. It is to be the board's job to put as much of this land as possible back into the hands of taxpayers. Public sales will be held, and municipalities will be given a chance to buy land for municipal forests, recreational centers, or building sites.

The same problem of tax-delinquent land has plagued many other states. California is making a classification study of 2,500,000 acres soon to become the state's property, as is Oregon with some 2,000,000 acres. Both of these states are trying to discriminate between the lands that are suitable for private ownership and the lands to be retained and developed by the state.



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










































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 AUTOMOBILES + 62		TRANSACTIONS + 5		 Farm products - 6	
CONSTRUCTION: + 23		N. Y. C. + 4		 Food products - 5	
 Residential + 47		140 cities + 7		 Hides and leather + 0.2	
 Non-Residential + 10		 LIFE INSURANCE		 Textiles + 1	
 Public works and utilities + 12		SALES + 3		 Building materials - 1	
 LUMBER + 17		 CEMENT SHIPMENTS + 17		 Chemicals - 2	
 ELECTRIC POWER + 11		 PAINT, VARNISH, LACQUER SALES* + 11		 Metals - 2	
 HARD COAL + 14		CARLOADINGS + 10		Raw materials - 4	
 SOFT COAL + 12		 Grain - 2		Semi-Manufactures + 0.1	
 PETROLEUM * + 1		 Livestock - 1		Finished products - 3	
OIL WELLS DRILLED - 3		 Coal and coke + 14		 CONSTRUCTION COSTS - 1	
 TEXTILE MILL CONSUMPTION		 Forest products + 8		 DEPARTMENT STORE PRICES - 1	
Cotton + 27		 Ore + 80		COST OF LIVING - 2	
Silk - 4		 L. C. L. + 2		 Food - 3	
Wool + 58		 MISC. Miscellaneous + 12		 Housing - 1	
Rayon + 29		 RETAIL TRADE		 Clothing - 3	
 CIGARETTES + 4		Department store sales + 4		Fuel and light - 0.4	
 CIGARS + 4		Variety sales (5¢-\$1) + 4		Sundries - 1	
 FACTORY EMPLOYMENT + 7		Rural sales + 11		STOCK PRICES + 8	
 FACTORY PAYROLLS .. + 15		 HOUSEHOLD REFRIGERATOR SALES + 49		BOND PRICES + 4	
		 WASHING MACHINE SALES + 27		FARM INCOME + 2	
		 OIL BURNER SHIPMENTS + 50		 DIVIDENDS + 3	
		 PASSENGER CAR SALES + 46			
		 TRUCK SALES + 27			

Business Weeks Index of Business Activity + 25%

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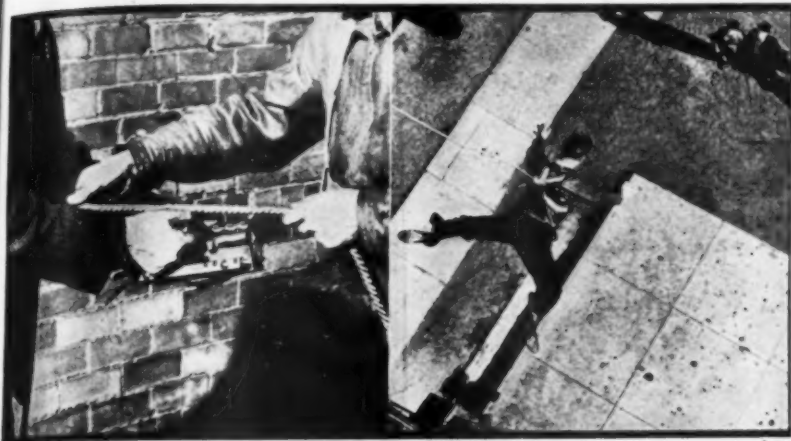
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He Floats Through the Air



The Rose Mfg. Co. in Denver, Colo., recently tested this new safety device for workers exposed to dangerous falls from high places. It's a harness for a worker to wear, with a rope attached to it—the rope having first

been passed through a shock absorber, then made fast to some part of the structure. If the worker falls, the shock absorber clamps down on the rope, slows his plunge, brings him to a relatively smooth stop.

PRODUCTION

PRODUCTS • PLANT • PROCESSES

Synthetic Mica Made from Clay

Alsifilm, developed at Cambridge, Mass., can be produced cheaply in sheets of almost any desired size. Moreover, it is a "strategic material."

PROMINENT on the list of "strategic materials" worrying the War Department is mica—that thin, flexible, heatproof, waterproof, electric insulator which had its introduction to American life in the glowing windows of front parlor stoves. There is plenty of chip and flake mica in the United States, but 85% of the 10,000,000 lbs. of sheet, block, and split mica used annually here has to come from foreign shores, principally from British India. Prominent, therefore, on the agenda of research and development for which the War Department desires every green light possible is Alsifilm, a synthetic mica which possesses practically every essential characteristic of the natural mineral and then adds a few more all its own.

The new product, which is another shining result of modern cooperation between education and industry, is the joint development of Dr. E. A. Hauser of Massachusetts Institute of Technology and Dr. (Miss) D. S. Le Beau of Dewey & Almy Chemical Co. (both of Cam-

bridge, Mass). They were aided and abetted by Research Corp., Chrysler Bldg., New York, which handles the commercialization of various M.I.T. developments and is already negotiating licenses for Alsifilm manufacture and application.

Explaining the Name

Basic raw material is Bentonite, a plentiful colloidal clay (so slippery when wet that the Indians used it to grease wagon wheels) found in Wyoming, Montana, California, and other states, and used in quantity as a lubricant for oil-well drilling, a filter earth in oil refining, and a binder in foundry cores. Some Bentonite is aluminum silicate and some, magnesium silicate; but both have substantially the same characteristics. Since the aluminum variety is probably more plentiful, Alsifilm takes its name therefrom—"al" for aluminum, "si" for silicon, produced in the form of a film.

In their research work on the behavior



"They're wearing STRAW HATS!"

*An incident from Statler service records, with names changed, of course.

FROM the moment that Gordon Culver, Chicago advertising man, entered our Buffalo Statler office it was evident that he was worried. He seated himself and lit his cigarette carefully before answering our greeting.

"I'm in a jam," he began, "because this August heat made me forget to take some pictures for a food ad before I left Chicago."

"Can we help?" we asked.

"Well, you can, but I hate to ask you. You see, I have to get some pictures of a group of smart-looking people in a smart dining room—and I've got to get them by tomorrow noon. Your Main Dining Room would be ideal—if you'd let me use it."

"That's easily arranged," we assured him, "but the room doesn't close until midnight. You'd have to shoot your pictures then."

Gordon Culver breathed a sigh of relief. "That's a weight off my mind—thanks a million. Now I'll have to hustle around and get some models for tonight."

But all wasn't well, because at 12:15 A.M. a perturbed Mr. Culver was calling us on the phone. "This is getting to be a habit with me," he apologized, "I forgot again! I forgot that these pictures won't appear in the magazines until November and all my girl models are wearing straw hats!"

But the wives of the Statler staff stepped into the breach and after a short delay, the picture-taking was resumed. The models wore borrowed hats.

What pleased us most about this little incident was that we were able to help. For while our hotels are large institutions with many employees, every guest is regarded as a friend whom it is a pleasure to help and to serve. That is the Statler Spirit which, we believe, causes so many experienced travelers to remark, "I'm going to—"

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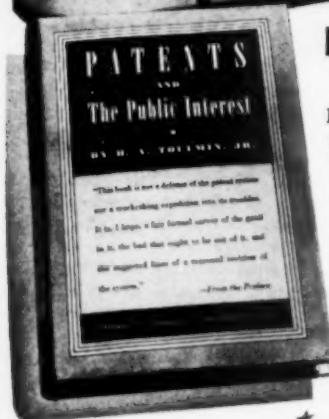
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of colloids, those mysterious substances whose superfine particles (all under a quarter of a micron, or 1/100,000 in., in at least one dimension) behave in manners peculiar to themselves. Drs. Hauser and Le Beau noted that a gel made of Bentonite and water would gradually harden at room temperatures. Spread into thin films and heated, the resultant material was non-inflammable under extremely high temperatures and was resistant to oils and organic solvents. In dry condition, it exhibited satisfactory electric insulation properties, which dropped rapidly as it picked up moisture. Also, moisture caused it to swell.

From 0.001 In. to 0.005 In.

Further research indicated that mica, which has essentially the same chemical composition as Bentonite and other clays, achieved its sheet-like characteristic from very small additions of certain other elements to the basic aluminum and silicon. True enough, when Bentonite gel was mixed with traces of lead acetate or other compounds, and dried in films by infra red light, the resultant material added waterproofness to its other mica-like characteristics.

The process is not quite as simple as that, but the developers must keep some of their secrets. Suffice it to say that Alsifilm can today be produced economically in films ranging from 0.001 in. and slightly thinner to 0.005 in. Unlike mica, which can seldom be produced in sheets larger than a square foot, and then only at premium prices, the synthetic can be filmed cheaply in practically any width and length. Should thicknesses greater than 0.005 in. be desirable, the material can be laminated with or without the addition of synthetic resins and other adhesives.

Fields of Use Being Explored

Already an electric motor manufacturer is punching out laminated Alsifilm to make commutator insulation segments. Another manufacturer is experimenting with Alsifilm-coated cloth for window shades. Still another manufacturer is looking into the possibilities of Alsifilm as an electric cable insulator. Since the material can be made as flexible or as stiff as may be desired for a given application, and since it may be polished by calendering, no one knows as yet the limitations of its field.

Contrary to certain impressions that have gotten around, the material is translucent rather than transparent. It can be dyed almost any color while still in the gel state, or mingled with carbon black which seems to add to its resistance to tearing. It can be wound into tubes on a mandrel, and it can be made almost as transparent as cellophane with certain extra care in processing. Dr. Hauser and his associates have no illusions about breaking into the packaging field overnight, if at all.

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Prints for Fiberglas

Expected to widen field for use as drapes and table covers when production is assured.

ABOUT THE TURN of the year, it is confidently expected that production problems underlying the printing of glass textile fabrics will be licked. Then Fiberglass prints will begin their destiny as window drapes, door hangings, end table covers, alongside the plain and striped materials which have been ready for several months. As is generally known, the initial push behind the versatile inorganic material carried it rapidly into such widely flung applications as building insulation, electric insulation, retainer mats for storage batteries, and plant mulch.

It is not so generally known that about the time of the organization of Owens-Corning Fiberglas Corp. (BW—Nov 5 '38, p24) the job of developing and introducing Fiberglass textiles for the decorating and furnishing field was turned over exclusively to J. H. Thorp & Co., 250 Park Ave., New York. Since that time the Thorp Company, which buys its yarns from Owens-Corning, has been guiding and cajoling three old-line textile mills into seeing that the weaving of glass presents few new problems to experienced weavers. Damasks, brocades, satins, taffetas—lustrous textiles of practically any known weave—now come from the looms in a wide range of subdued colors.

Decoration Stressed Now

Scratchiness, the feature which caused the Infanta Eulalia of Spain to duck the wearing of a spun glass dress at the Chicago World's Fair of 1893, is being practically eliminated by using continuous filament yarns, which present no loose and prickly ends. Even so the Fiberglass people are postponing the manufacture of apparel fabrics for draperies which come only incidentally into direct human contact. It is true that men's neckties, women's shoes, men's braces, and women's handbags of Fiberglass have all been featured at one store and another, but the big field is held to be in decoration where fireproofness, mildew-resistance, rot-proofness, ease of laundering, and other qualities inherent in glass promise a secure future.

Already New York's Waldorf-Astoria and Hotel Gotham are using glass draperies. Ship lines, more wary of fire than ever, are beginning to install curtains of glass in their cabins and public saloons. At least one hotel is thinking seriously of glass table cloths because of their ability to resist stains of coffee, mercurochrome, iodine, cream, and ink. The stain may be there all right, but a quick dunking in soapy water conquers it. The cloth dries wrinkleless, requiring no ironing.



**\$3200.00 WORTH OF FUEL
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UNIT ILG HEATERS

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Since 1921, 18 different Mack Truck plants have installed Ilg Unit Heaters. Every third Ilg Unit Heater sold represents a repeat order — a satisfied customer, including nationally-known firms like Eastman Kodak, Pittsburgh Plate Glass, Real Silk Hosiery, Pennsylvania R. R., Independent Pneumatic Tool, etc.

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Without obligation send us a copy of the new Ilg Book, illustrating and describing Ilg Unit Heaters.

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"Budgit" Hoists lift parts in and out of tools, tanks, and vats,—load and unload cars and trucks,—raise materials into grinders, tumblers, ovens,—handle materials between floors,—lift all kinds of loads,—and earn their low cost over and over again out of savings.

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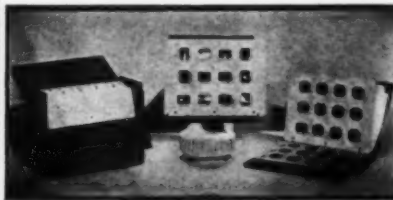
WHERE'LL WE STAY IN ST. LOUIS?



NEW PRODUCTS

Filmdex System

NEWEST filing and viewing system for 2 x 2-in. cardboard-mounted photographic transparencies of 35-mm. and Bantam film has been named Filmdex by



its originator, W. N. de Sherbinin, Mount Kisco, N. Y. Basic units are a filing panel with space for 12 transparencies, a vertical file accommodating 25 such panels (left), a ring binder for 8 panels (right), and a viewer for use with any light.

"Motor Fizik"

POURABLE at the low temperature of -140 deg. F, Gunk Motor Fizik of Curran Corp., Malden, Mass., may be added to automotive engine oil as a "pour point depressant and crankcase anti-freeze," to achieve "summer cranking speeds," in winter. Tests indicate that the versatile liquid is also useful as a penetrating oil, an "engine tar" remover, and an "engine tune-up oil."

Kennametal Shapes

THE TUNGSTEN-TITANIUM carbide produced by McKenna Metals Co., Latrobe, Pa., under the name, Kennametal, and used primarily for tips on metal-cutting tools, will now be available in a variety of shapes for use in mechanical parts subject to unusual wear or in gages which must hold accuracy.

Troubleproof Trouble Lamp

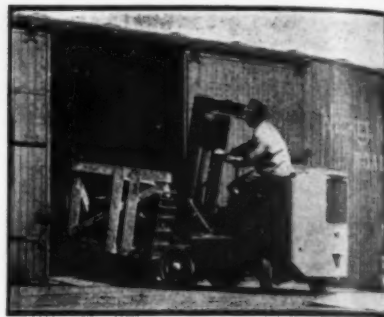
IN DESIGNING the new Royal "Sealed Tight Trouble Set," or trouble lamp, Royal Electric Co., Pawtucket, R. I.,



has presupposed its use in wet and oily places. Thus it has eliminated holes and joints by covering the switch buttons and lamp base with the flexible rubber of the one-piece, shock-proof handle.

Carloading Lift Truck

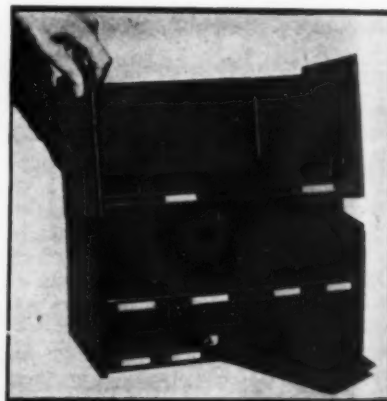
DESIGNED for the important job of loading and unloading box cars with utmost dispatch, the new 47-in. wheel-base Tow-motor Carloader will lift and handle loads up to two tons. Its maker, Tow-motor Co., Cleveland, stresses its ability to move as fast in reverse as forward. It is even nimble enough to turn com-



pletely around in the center of a box-car, when both car doors are open.

Stacking Units

MADE in seven sizes of bins with capacities of $\frac{1}{2}$ to 6 pints, the Binrack Stacking Units of Gordon L. Hall Co., Old Lyme, Conn., are designed to keep small parts handy for assembly or in storage. Bin holding units come in two styles. Parts flow down into "tills" by gravity. Bins



and tills can be arranged in straight lines or in semi-circles to follow the findings of motion studies.

Public Address System

DELIVERIES on the new Ampro Tri-Purpose Public Address System of Ampro Corp., 2839 N. Western Ave., Chicago, will begin this month. Connected to the company's Amprosound 16-mm. projector (or practically any other make) it will amplify the output of word and music to fill an auditorium seating 10,000. It can be hooked up to two microphones or two phonographs or two projectors,

Business Week
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fading automatically from one to the other to give a continuous program. Power is sufficient to take care of eight loudspeakers.

Midget Photoflash

JUST TEN YEARS after the introduction of photoflash lamps to photography, General Electric Co., Nela Park, Cleveland,



and Westinghouse Electric & Mfg. Co., Lamp Division, Bloomfield, N. J., achieve Mazda Photoflash Lamp No. 5, smaller than a golf ball yet producing a peak flash of 900,000 lumens. Note that the base is of the bayonet type, requiring an adapter for present photoflash equipment.

PRODUCTION ANGLES

Pamphlets for Packagers

RECENT PUBLICATIONS of American Management Association, 330 W. 42nd St., New York: (1) "Recent Developments in Packaging Progress," 50¢; (2) "Problems under Informative Labeling," 50¢; (3) "Improved Methods in Packing and Shipping," 75¢.

Utility Bill Slicer

NEWEST service of the engineering firm of R. R. E. Elliott, Inc., 734 Lexington Ave., New York, is designed to save money on utility bills. Working at present only in the metropolitan district, the firm will undertake operating studies for users of purchased electricity, gas, water, and steam. Savings will be divided between firm and client.

More about Vinyon

TWO MONTHS ago, Vinyon synthetic textile fiber emerged from the laboratories of Carbide & Carbon Chemicals Corp., New York (BW—Sep 16 '39, p45). Last week Carbide announced that it would manufacture the basic resin powder and that American Viscose Corp., New York, would convert the powder into staple fiber and continuous filament yarns. Yarn is already in production, and several types of Vinyon fabrics for industrial purposes are being sold through Wellington Sears Co., New York. Dyeing procedures for a full range of colors

have been developed. American Felt Co., Newburgh, N. Y., is preparing to market Vinyon felt. Basic powder is essentially the same as one type of Vinylite plastic resin, which is used in products ranging from phonograph records and hair combs to beer can linings and the new automobile safety glass. A brand new application will be in calendered sheets possessing many of the qualities of leather and rubber plus certain advantages of its own.

Intensive Welding Courses

DEC. 4, Jan. 8, Feb. 12, Mar. 25, Apr. 22, and May 27, are the dates set by John Huntington Polytechnic Institute, Cleveland, for a series of intensive five-day courses in arc welding design and practice. Lincoln Electric Co., Cleveland, is co-sponsor.

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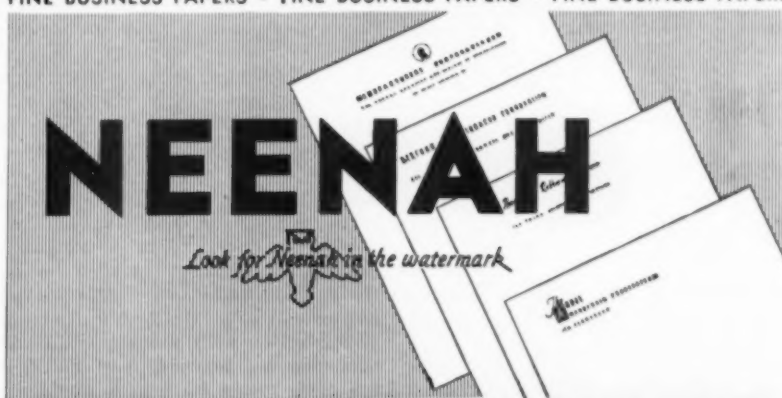
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Time was when letterheads were drab affairs, with scroll types, lists of officers, unsightly plant pictures—when one letterhead served all requirements.

Not so today. Modern business uses several letterheads, in sales promotion, for executive correspondence, for interplant memoranda. Colorful and attractive, they win prestige and make sales.

That is why Neenah has more than one grade among its fine rag content papers. Some are priced low enough for volume use; others reflect the dignity of managerial signatures. There is a Neenah paper for almost every business need.

Ask your printer or lithographer to recommend the grades you should use. Write us for the story of how they are made, and for samples.

Fine Rag Content Bonds, Ledgers, Index and Lightweight

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FINE BUSINESS PAPERS • FINE BUSINESS PAPERS • FINE BUSINESS PAPERS

WHAT SHOULD WE DO WHEN EMPLOYEES ASK FOR LOANS?

If one of your employees needs extra cash to meet an emergency, he's likely to turn to you—either for a loan or for advice. Your company probably feels that it should not attempt to act as banker to your workers—that making loans should be left to a lending organization. What, then, should your employee do when faced with an urgent money problem?

Few wage workers can borrow from banks. Most banks require collateral which wage-earners seldom own or co-signers they can't readily get. They can, of course, try to borrow from friends. But their friends usually need all they can earn for their own expenses.

Loans for wage-earners

It is the job of Household Finance to make loans to workers without bank credit. At Household responsible families can borrow up to \$300 on their character and earning ability. No bankable security is needed. No wage assignment is taken. Borrowers obtain their loans in a simple, private transaction.

Household's monthly payment plan permits borrowers to repay their loans out of current earnings. Each borrower chooses the payment schedule which best fits his monthly budget. Charges are made only for the actual time he has the money. This table shows typical loans and monthly payments.

AMOUNT OF CASH LOAN	AMOUNT PAID BACK EACH MONTH Including All Charges				
	2 mos. loan	6 mos. loan	12 mos. loan	16 mos. loan	20 mos. loan
\$ 20	\$ 10.38	\$ 3.63	\$ 1.95		
50	25.94	9.08	4.87		
100	51.88	18.15	9.75	\$ 7.66	\$ 6.41
150	77.82	27.23	14.62	11.49	9.62
200	103.77	36.31	19.50	15.32	12.83
250	129.71	45.39	24.37	19.15	16.04
300	155.65	54.46	29.25	22.98	19.24

Above payments figured at 2 1/4% per month and based on prompt payment are in effect in New York and nine other states. Due to local conditions, rates elsewhere vary slightly.

Families learn to avoid debt

Household Finance believes families should avoid unnecessary debt. So to borrowers—and to others who request the service—the company gives guidance in money management. From Household's practical booklets on money management and better buyman-ship families learn to save on daily purchases and get more out of limited incomes. Hundreds of schools and colleges now use these publications as texts.

Wouldn't you like to know more about Household Finance service and how it can help your employees? The coupon will bring you further information without obligation.

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MARKETING

ADVERTISING • MERCHANDISING • SELLING

Pall Mall Finds a "Difference": 20%

Other cigarette-makers watch results, as an old brand gets a new burst of sales by going "longie." Two more 15-centers in same class.

THOUGH CIGARETTE COMPANIES are traditionally mum about their sales figures, the trade has a pretty good idea of the competitive standing. Sampling jobs done on key dealers show that the big three—Camels, Luckies, and Chesterfields—drain off about 75% of the business. Philip Morris and Old Gold take another 10%. The remaining 15% is divided among a myriad of brands of greater and lesser importance—some selling at 10¢ a pack, some for as much as 50¢. One of these brands-of-the-field is Pall Mall.

There has been a Pall Mall cigarette for 40 years. It's always had a good name, and, in the days when Turkish types led in popularity, it was a leader in its field. As blended cigarettes became the popular leaders and Turkish types lost public favor, the owner, American Tobacco Co., with a leader in Lucky Strike, seemed satisfied to let Pall Mall run along pretty much as it would.

Seek New Source of Income

One of American Tobacco's subsidiaries is American Cigarette & Cigar Co. Its big business is cigars—La Corona, Bock y Ca, Antonio y Cleopatra. As most everybody knows, the cigar business isn't what it used to be. Sales of the 10¢-and-up brands have shrunk something like 80% in the last 10 years. In 1936, the trend being what it was, American Cigarette & Cigar's executive management decided that the smart thing to do was to get another source of income. American Tobacco's George Washington Hill agreed. The end result was that American Cigarette & Cigar proceeded to lease the Pall Mall name from the parent company (for \$52,000 a year) and set about the business of making Pall Mall a leader.

Company officials knew that to crack the volume cigarette market they had to have something different. So Pall Malls were made of natural, straight tobacco in European style, and advertised as something different from the American flavored blends. But the natural tobacco didn't fit the American taste. In two and a half years, the company could do no more than what is now described as "a steady little business." It was clear that the natural Pall Mall was no answer to



Pall Mall's "difference" is apparent as soon as it's stacked alongside one of the standard brands. It's 20% longer.

American Cigarette & Cigar's need for an income diversifier. This year the tobacco was changed; the cigarette became a flavored blend similar in taste to the big brands.

That left Pall Mall without a "difference" to sell. First of September, one was found—"king size." Pall Mall became a cigarette 3 1/8 inches long as compared with the usual 2 1/2. Distribution was begun in the East and in California. First advertisements appeared in 15 newspapers on Oct. 24. Within the last few days national distribution has been completed. And Pall Mall is selling as it never has before, and in a way that is setting the whole tobacco trade on its ear.

Longies Have a History

Actually, of course, "king size" cigarettes are nothing new. There have been Turkish longies for 40 years. Benson & Hedges make several expensive brands, and there are others in the luxury and curiosity markets. In the popular 15¢ bracket, Pall Mall was preceded by two others. Leighton Tobacco Co. started a longie in July, 1938, but the Leightons aren't quite comparable for they're of the natural, unflavored variety. Regents, which have been going like a house afire for nearly a year, were the first of the longies made in a conventional, flavored blend.

Manufacturer of Regents is Frank Rig-

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gio, son of American Tobacco's Sales Vice-President Vincent Riggio. That relationship, plus the fact that young Riggio used to work for American himself, has led to the rumor that Regents were sent up as a test balloon for American. But the interested parties say it isn't so.

Riggio put Regents on the market about a year ago. He hasn't tried for national distribution yet, has confined himself to New England and the Middle Atlantic. Only advertising so far has been in a few rotogravure sections of New York and New England—at the rate of \$2,500 a month, which is small change to the cigarette trade. Yet the orders have rolled in, and Riggio has twice had to move his New York plant to bigger quarters. Production is said to run better than a million cigarettes a day. Obviously, Regents' success had something to do with Pall Mall going longie.

75,000,000 a Week

And Pall Mall, although it's been in the field only two months, is already a far greater factor than Regents and Leightons combined. Right now, Pall Mall production is 75,000,000 a week—and that's not enough to keep up with orders. The immediate difficulty is getting quick delivery of machinery to make the longer tubes and their packages. Incidentally, the Pall Mall package is similar to those of the big leaders, whereas both Regents and Leightons come in flat, stiff boxes with hinged covers—a type of packaging that's successful in the luxury trade but has never gone over in the volume market.

Pall Mall's quick success in getting national distribution stems partly from the fact that the name was already firmly established. But the new cigarette has been getting unusual trade support, and the reason is plain: Pall Mall is on fair trade at a 15¢ minimum in all 44 of the states which have fair trade laws. No other manufacturer in this most competitive of all trades has ever set minimum prices straight across the country, although Philip Morris is on fair trade in New York. Pall Mall is getting the benefit of dealer appreciation.

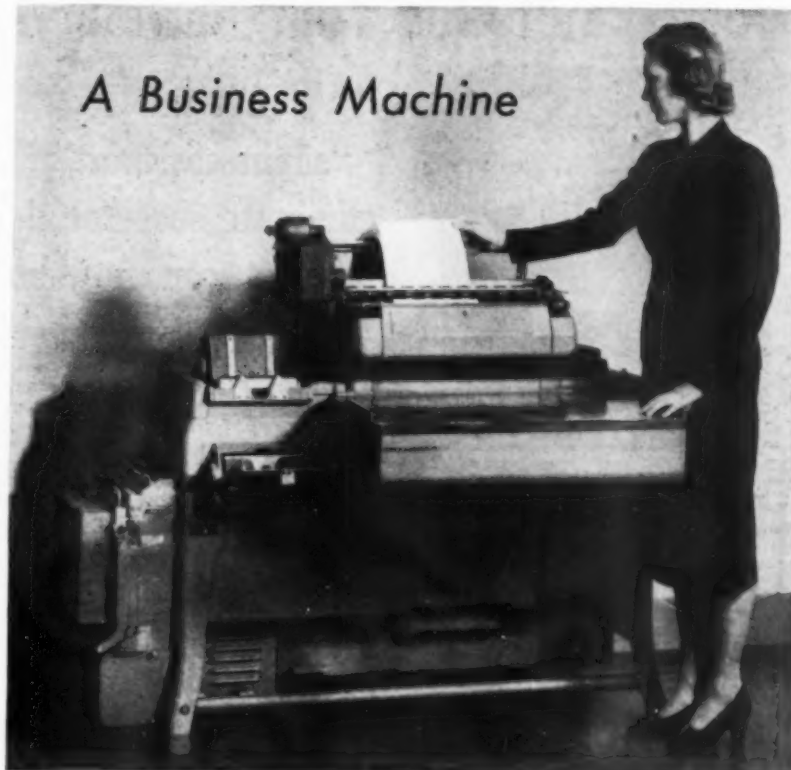
What's the Majors' Future?

The important question is: Are the major brands going to be forced into king size? Right now, the smoker's guess is as good as the manufacturer's. American Cigarette & Cigar officials say they expect Pall Mall to be No. 5 in the business 12 months from now. If that happens, a flood of longies seems inevitable.

If the flood comes, the standardized size is likely to be the one Pall Mall has picked—3 $\frac{7}{8}$ inches long. Pall Mall just gets in at the usual tax rate. If it were any bigger it would go over the 3 lbs.-per-thousand-cigarettes limit. Regents and Leightons are both oval instead of round and are, consequently, slightly lighter.

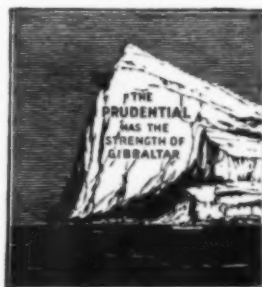
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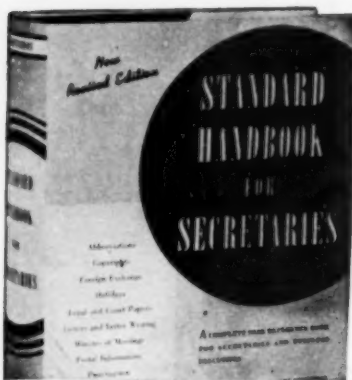
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Gloom behind the Bar

Chicago liquor retailers find they traded higher tax for monopoly that may be illegal.

LAST SUMMER Chicago saloonkeepers and owners of package liquor stores were blowing canary feathers from their lips. They had made what looked to them like the smartest political deal of the century. The city council needed more revenue. So, in exchange for the liquor retailers' supporting a stiff increase in license fees, the council put through an eleventh-hour prohibition of retail liquor sales in all establishments except those making liquor-selling their principal business (BW—July 30, p.26). Effective date of this ordinance was Nov. 1. Liquor dealers took it to mean that package stores and saloons would have a monopoly, excepting by-the-drink sales in hotels, restaurants, clubs, and bowling alleys.

Ready for Banquet, When—

Last week, when they had their chairs all pulled up to the table and their napkins tucked under their chins for a feast, the liquor sellers got a series of rough, tough shocks. In rapid succession:

Retail grocers went to court asking a writ of mandamus to compel the city clerk to issue liquor licenses to them.

Circuit Judge Harry M. Fisher, on hearing the arguments, expressed his doubts as to the validity of the ordinance and continued the case until Oct. 31.

The city council postponed the effective date of the ordinance to next April 30. The court action was then dismissed at the petitioners' request.

In consequence of this untoward chain of events, the disappointed banqueters arose from table and went home unfed, talking to themselves about the acumen of anyone who would swap an inescapable \$200 license fee for an invalid ordinance. Department stores, drug stores, grocery stores, and other miscellaneous outlets for package liquor continued their trade.

What Is "Principal Business"?

Pivotal point of the ordinance's validity is a phrase that looks harmless enough to the non-legalistic eye: "principal business." Judge Fisher pointed out that if a man sells nine types of commodities including liquor and none of the other commodities brings as much revenue as liquor sales, liquor is by legal definition his principal business. If he sells two commodities including liquor, and liquor produces only 49% of the revenue, then under the terms of the ordinance he would be unable to get a license.

Joliet, Ill., has an ordinance of comparable content and language now before

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the state supreme court. If the court says "principal business" is definite enough language, and that a local liquor commission is competent to decide what constitutes an individual's principal business, the Chicago ordinance will probably put all but the saloons and package stores out of the liquor trade on May 1, 1940.

Iceman's Comeback

New sales ideas boosting business despite inroads made by mechanical refrigeration.

THE ICE BUSINESS may appear to metropolitan apartment-dwellers as something that has gone the way of buggy whips. But in cities of 300,000 and less, the iceman is still an important figure.

Despite inroads of competitive refrigeration, the United States uses more than 40,000,000 tons of ice a year and leads the world in per capita ice consumption. Some 11,000,000 homes are now equipped with mechanical refrigeration. This leaves about 15,000,000 homes for the ice manufacturers to serve, if they can reach them, besides a commercial market that requires ice. How to develop these possibilities to the utmost was the big topic before the National Association of Ice Industries at its convention in Chicago last week.

Each pre-depression year saw a greater tonnage of ice sold. In 1931, depression plus smart selling of mechanical refrigerators sliced about 25% off the icemakers' sales. Since then, their curve has been moving upward again, slowly; 1939 will yield about 90% of the best year on record—7% over last year. It would now take only a good old-fashioned hot summer to push next year to a new all-time high for sales.

1931 Taught Them

Ice manufacturers admit they were stodgy and satisfied in the old days. It took 1931 to put their routemen into uniforms and send them to training school to learn manners and merchandising. The same jolt put the ice makers squarely behind the box makers in a search for better ice refrigerator designs. The ice companies then took on the job of selling ice refrigerators as aggressively as the public service companies were selling electric and gas refrigerators. In 1935, moreover, the industry started a cooperative campaign of national advertising that continues uninterrupted.

One new idea after another has been applied in selling more ice. City dwellers now know that cubes, packed in dripless cartons, are delivered within 15 minutes of a telephone call (in St. Louis or Kansas City from the corner drug-store, in Milwaukee from Western Union). Indicative of the resultant vol-

GRAIN

Cereals, Sorghums for the Mill

● The Gulf South yearly produces some 125,000,000 to 140,000,000 bushels of corn, and proportionately large crops of wheat, oats, barley and rye—and in addition grows more sorghums annually than all the rest of the United States.

● The Gulf South is rich in raw materials . . . networked with highways, waterways, railways, airways, covering growing local markets . . . gateway to Pan-America . . . blessed with good schools . . . plentiful land . . . native white, reliable, intelligent labor . . . low taxes—ten years' remission in some states!

Industry is decentralizing southward to a friendlier atmosphere. Move to the Gulf South, where you are wanted and appreciated by your neighbors! Without obligation, let us make a confidential survey for you to meet the requirements of your industry.

★ ★
The
Gulf South



Invites
Industry

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For information on GULF SOUTH opportunities write to
DIRECTOR OF INDUSTRIAL DEVELOPMENT

UNITED GAS PIPE LINE COMPANY

FOR TEXAS, Mail received at: Beaumont, Beeville, Dallas, Fort Worth, Houston, Longview, San Antonio and Wichita Falls. FOR LOUISIANA, Mail received at: Baton Rouge, Lake Charles, Monroe and Shreveport. FOR MISSISSIPPI, FLORIDA and ALABAMA, Mail received at: Jackson, Mississippi.

ALL INQUIRIES CONSIDERED CONFIDENTIAL

COPY. 1939. UNITED GAS PIPE LINE CO.

ume was a cube-making machine displayed by Gifford-Wood at Chicago last week. It uses gang saws and mechanical elevation to grind out 20,000 cubes an hour from 300-lb. blocks.

In many towns, block ice is delivered neatly wrapped in waterproof paper. On the Pacific Coast, automatic vending machines deliver packaged block ice to the householder who goes after it and drops his nickel, dime, or quarter in the slot.

Sized Ice's Sales Appeal

Battle cry of 1939 ice merchandising is "Sized Ice" (BW—Feb 11 '39, p. 40). About four years ago the Peoples Ice Co. of Syracuse, N. Y., began crushing its block ice, screening it into various sizes, offering it to commercial and domestic customers in whichever sizes they needed—snow, nut, pea, egg, and lump. Today half the ice sold in Syracuse is

sized, and volume is running ahead of national averages. Uline Ice Co. of Washington, D. C., has proved the idea in that city. Other ice manufacturers elsewhere have corroborated the sales appeal of ice that comes ready to use.

Evidence that sized ice has come to stay is the variety of equipment and commercial fixtures designed to employ it. Domestic refrigerators can use coarse sizes or crusher-run. Store vegetable racks can use the finest. Meat market display cases use any of the seven assorted sizes that have been generally accepted.

Commercial users such as hotels, bars, and soda fountains receive their deliveries in returnable containers, keep them in cold rooms awaiting use, dispense ice directly from containers. Customers who use the ice for bulk cooling have it dumped into their equipment by the routeman.

Millers Avoid War Hysteria

Industry sees potential prosperity, with a return to sounder pricing and selling policies, but does not expect first call on foreign business.

WHEN WAR STRUCK, most of the bakers in the United States apparently assumed that \$2.20 wheat was again in the offing, and prices well above a dollar just around the corner, and hastened to book heavy orders. Distributors to the family trade and housewives themselves shared the panic. The result was that the September output of flour was the highest for any month in ten years.

Mills which report to the *Northwestern Miller*, Minneapolis, "Bible" of the trade—representing 64% of national production—recorded a September total of 7,330,043 bbls., highest since October, 1929, when 7,626,765 bbls. were produced. But in October—despite war, the drought

in the Southwest, and slightly higher wheat prices—flour sales fell to levels even lower than last year's. Supplies contracted for in the frenzied buying of early September are lasting longer than expected. Nonetheless, some enthusiasts among millers foresee a pickup soon. Production is still holding up well.

Milling, unlike baking, is not speculative. Millers safeguard their operating ratios by "hedging" their sales with purchases of futures. But the grain exchanges had long imposed a rule that the price change on future trading in any one day might not exceed 5¢ a bu. On the five business days between September 1 and 7, future trading and the flour

trade were virtually blocked, the market leaping the limit at the opening while holders of wheat refusing to sell because they anticipated still higher prices.

The log jam was broken when the exchanges, with government approval, increased the permitted price range to 10¢, restoring "free" markets. It is noteworthy that the price of flour, relative to wheat, immediately and materially declined.

Facts vs. Over-Expectant

Anyhow, the millers could have told the hysterical—and did—that their expectations were not validated by present conditions or discernible probabilities. No great number of new consumers is in sight; our population is increasing at only a moderate rate. There is not likely to be an immediate jump in per capita consumption, although its steady decline for the past half century (because of a more varied diet) is believed by the trade to be checked.

The breadstuff situation is vastly different from that of 1914. World stocks of wheat and flour are high, and what the armies crawl on can be well filled by the belligerents themselves for a long time, while they feed their civilians, too.

The millers will tell you, with some bitterness, that our "benevolent" government has given the flour business away to foreigners. They cite, for instance, the protective tariff. They complain that our debtors of the last war were not permitted to pay in manufactures, which would have enabled them to buy our flour. As a result (so the millers' argument goes) those nations increased their wheat growing and greatly expanded their milling facilities.

Millers also point to the "great swap" of wheat for coffee, saying it meant that Brazil built mills to grind the grain and then, naturally, kept them running.

But the government has done milling a few favors. There is the export subsidy, for instance, which has been in effect for a year or so. It works like this: Government says to the miller, "You go ahead



The wheat goes in, on the top floor—runs down through grinders and sifters—comes out flour.

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and sell flour abroad, and if they beat your price down below cost and a reasonable profit, we'll make up the difference—to a certain point." (The subsidy has fluctuated between 30¢ and \$1.40 a barrel.) This arrangement has enabled United States millers to meet in some measure Canadian and other competition. Of course, the object of the government's affections is the farmer, but the miller shares in the benefit.

Profits from Volume

United States millers are not likely to get first call on the war business. England will turn to the dominions (Canada's 1939 wheat crop is the fourth largest on record) and until shipping becomes too tight, to the Argentine. When the United States' turn comes, more orders will be for wheat than flour. For one thing, England claims she needs the by-product, millfeed.

Although wheat prices had receded somewhat by mid-October, and the market had regained its equilibrium, it was apparent that the war had wrought a "chemical" change. What had been a buyers' market had turned into one of potential prosperity for the milling trade, long mired in limited profits and harassed by governmental interference with normal wheat market movements, processing taxes and the like. Millers glimpse an opportunity to return to sounder pricing and selling policies, and to rid the trade of "sharp pencil" tactics, long-time commitments, and split brokerages. But bigger volume is expected to be the chief factor in increasing profits.

Undoubtedly, some of the markets that were supplied by the countries now at war will be recovered by the United States.

Sellers Want Protection

But Old World buyers, even in normal times, are astute, and the governments of belligerents, which will do the buying from now on, are likely to be even more so, especially if allowed to deal with a disorganized crowd of millers. Therefore a move is under way to set up a sellers' organization under the Webb-Pomerene Law (Export Trade Act), passed in 1918 but little used. This law virtually nullifies restraint of trade legislation as applied to export sales and encourages cooperation, and even price agreements, among exporters. Washington is said to be not only willing, but ready to intervene for the protection of producers.

Intra-industry conditions, including competition, are in a wholesome state. Costs and profit margins are fairly uniform throughout the trade. During the past 15 months, approximately 95% of bakery flour has come to be sold under terms of the long-advocated Uniform Sales contract, sponsored by the Millers' National Federation and the American Bakers Association. The volume of business done between millers and commer-

PAIRED WITH THE *Leaders* FOR STEAM ECONOMY

TELEVISION RECEIVER

BY

RCA Victor

Great Name in the
Newest Industry



Steam Source

BY

**COMBUSTION
ENGINEERING**

Pace Setter
In Steam Generation

Out of its consistent policy of pioneering in communication, RCA VICTOR now brings television to commercial practicality. Only a management with its eye on the future, yet fully aware of today's practical questions of dollars and cents, could have emerged as a leader in such a quest.

Such feet-on-the-ground foresight shows up in many directions . . . in the choice of steam generating equipment, for example. For those who set modern standards, nine times out of ten, are also the first to demand modern standards in everything they buy.

At the Camden Plant of RCA VICTOR, modern steam generating units by COMBUSTION ENGINEERING were chosen on just such a basis. They supply 125,000 lb. of steam per hr. each, at 850 lb. pressure and 750 deg. total temperature. They have fulfilled the expectations of RCA's practical-minded management by cutting maintenance expense as well as providing fuel savings in excess of \$100,000 a year.

Just as RCA leads the way in communications for a modern age, so C-E sets the pace in modern facilities for low-cost steam supply. Whatever your steam demands, you too will find COMBUSTION ENGINEERING ready to plan an installation keyed to your specific needs, reflecting new-day standards in design, construction and performance.

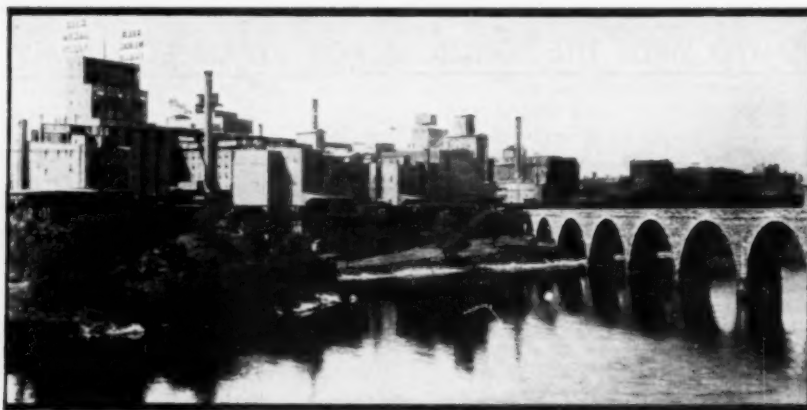
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200 Madison Avenue, New York, N. Y.



C-E PRODUCTS INCLUDE ALL TYPES OF BOILERS, FURNACES, PULVERIZED FUEL SYSTEMS AND STOKERS; ALSO SUPERHEATERS, ECONOMIZERS AND AIR HEATERS

A-478



Minneapolis' famed milling district at St. Anthony Falls, at the head of navigation on the Mississippi River. Though Buffalo is now tops in capacity, the Mill City is still "head office" of the flour industry.

cial bakers amounts to about a quarter of a billion dollars a year.

Raiding housewives woke up some of the processors who had been concentrating on the narrow-margin bakery business to the realization that non-baker annual consumption is still in the neighborhood of 50,000,000 bbls. a year, with a larger per sale unit recovery by the miller.

The larger concerns woo both markets consistently. General Mills, for instance, keeps a corps of "good business counselors" calling upon the bakers, furnishing formulas and sales ideas, many of them in complete campaign form. Their Betty Crocker advises the housewife by radio and mail. General Mills is one of the biggest users of radio time. But it is the specialized packaged products, such as breakfast foods and biscuit and pancake ready-mixes, which show the largest profit margin and are the most susceptible to promotion.

The Shift from the Mill City

The drift of the milling industry away from Minneapolis (the Mill City, in plant and production, for the first nine months of this year was back almost to where it was 55 years ago) is attributable to several factors. Milling has followed the wheat fields, and Minnesota now produces comparatively little wheat.

Freight rates also worked to Minneapolis' disadvantage. Not a barrel of Minneapolis-milled flour is now exported. But Minneapolis is still the "head office".

A favorable shipping location and the milling-in-bond privilege (government again), under which Canadian wheat can be brought in duty-free to be processed for export, have helped to build Buffalo's milling industry at Minneapolis' expense. Buffalo is now at the top both in production volume (since 1930) and capacity (since 1936), with Kansas City second in volume and Minneapolis second in capacity.

Formerly a collection of many independent units, flour milling is now characterized by large aggregations which

own and operate numerous and far-flung plants. Figures for August show that 826 mills made 96.9% of the flour. Washburn-Crosby Co., predecessor of General Mills, the largest, built its first outside mill (at Buffalo) in 1903. Good business judgment counselled the change to large-scale production with its consequent lessening of dependence on single crop areas.

Dies vs. Consumers

Advertising men wonder if he will push proposed investigation of research groups.

LAST WEEK, at the annual convention of the Associated Grocery Manufacturers of America, Rep. Martin Dies gave the advertising business, long bedeviled by a host of professional consumer critics, something to cheer about. He announced that his committee investigating un-American activities was going to give the consumer movement the once-over, particularly the research organizations which have been suspected of communistic tendencies.

Day or so later, just before adjournment of Congress, Mr. Dies filed his formal request for a grant of \$100,000 to carry on his committee's work for another year after its expiration on Jan. 3, 1940. Then advertising men began to wonder whether Mr. Dies really meant to tackle the consumer movement or whether he had simply been playing for business support in his announcement to the grocers. When he filed his request for action early in the next session, he simply said he wanted money to investigate "communism in the schools." This might or might not include the consumer movement which has strong roots in the home economics departments of many schools and colleges. As for what's left of his present appropriation, the Texas Congressman probably won't spend any of it on the consumers, for he continued this week to pursue the Red menace in

labor unions, and he has a number of other important jobs to finish up.

One circumstance that might induce him to lay into the consumer movement is the fact that his prize investigator is J. B. Matthews. Matthews was one of the executives of Consumers research at the time Arthur Kallet split with F. J. Schlink and built a thriving rival organization, Consumers Union, out of the striking members of C.R.'s staff. Matthews, it's said, has an old score to settle with Kallet.

Business Takes a Wider View

If and when Mr. Dies does wade into the consumer organizations, he will find that business interest in the movement has expanded considerably beyond merely discrediting the more radical groups like Consumers Union and Consumers Research. Business is now interested in converting consumer energy to its own uses—in establishing common aims and objectives, and in refining those business practices which have caused customer dissatisfaction in the past.

This was clearly evident, not only at the meeting of the grocery manufacturers, but at two other conventions in the past fortnight.

At the second annual meeting of the National Consumer-Retailer Council, in New York, Oct. 25, three of the largest women's organizations in the country stated their joint aims, which boil down to simplified selling standards and more facts and less emotion in advertising. The Consumer-Retailer Council is business financed. It was organized by the National Retail Dry Goods Association; 46 individual retail stores and chains supply the funds. But consumer members made plain that business has a choice: it can cooperate with consumer groups in the setting of labeling standards, or it can face a fight in the nation's legislatures.

What the Public Believes

At the annual convention of the Association of National Advertisers, at Hot Springs, Oct. 26, business got a set of facts to replace the welter of impressions and emotional outbursts that have hitherto clouded the consumer movement. Feature of the meeting was a report on a survey of 5,000 men and women consumers, the results of which indicate that 24% of the nation's buyers have heard of the consumer movement and 12% are well informed. Approximately 72% believe that advertising raises the cost of a product; 59% believe that regulation of advertising by law should be more severe; 56% want grade labeling; 21% have read the product reports of Consumers Union or Consumers Research; 45% favor adding a consumer's department to the federal government; 64% think the spread between manufacturing costs and retail selling prices is too great.

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More Trucks for More Uses

With buying on the rise, manufacturers offer truck and trailer models in wider range, notably for retail delivery, and show mechanical improvements.

BOOSTED BY SIZABLE initial war orders from abroad, truck production, well ahead of 1938 for the year so far, is heading for still higher ground. By companies, output is currently averaging around 40% better than at this time last year, according to Ward's Reports.

Domestic sales for the year to date are roughly 27% ahead of 1938, with no indication of a slowdown, percentagewise, although September and October showed some seasonal decline aided by the normal slackening off during the change-over period.

While the truck business lacks the passenger car industry's fanfare of new model announcements, nevertheless many a truck and trailer manufacturer has stepped out with important improvements and additions in the past two months.

This week the National Motor Truck Show opened in Chicago, but—lacking endorsement of the Automobile Manufacturers Association—only a limited number of truck companies showed their wares, leaving the field largely to producers of special equipment, with a grand total of 40-odd exhibitors.

Speeds Marked for Shifts

Among new developments in truck offerings so far this change-over season, Chevrolet adopted all helical transmissions, hypoid rear axles in all models, heavier frames in larger models. Ford's numerous improvements are largely aimed at making the job of servicing easier. The 1½-ton no longer carries cross-springs, but has standard semi-elliptics with Hotchkiss drive. There is also a new 158-in. wheelbase cab-over-engine model. A neat trick is the marking of speedometers with speeds at which transmissions can best be shifted to next higher or lower gear.

Dodge also has adopted hypoid axles in all models and has increased the gross ratings of virtually all models. Engine horsepower is pretty well up all along the line. Dodge is also making its own cab-over-engine model now, and is pushing its new Diesel truck line.

I.H.C.'s big feature is the new line of multi-stop vehicles for bakeries, dairies, and so on. These come in two wheelbases—102- and 113-in.—and two ton-nages (½ and ¾). They have all-steel bodies, steering column transmission shift, lift-type rear door, can be driven standing or sitting.

For urban deliveries, White is featur-

ing its new light delivery model with four-cylinder air-cooled horizontal engine under the cab. Rated at one-ton capacity, the new job has a panel delivery type body, exceptionally short wheelbase and light weight for the capacity.

Newcomer Saves Space

Diamond-T introduced a new 1½-ton cab-forward type, saving nearly three feet in wheelbase for the same load capacity, with very little increase in cab height.

F.W.D. offers a new higher-capacity transmission than available heretofore. It has 10 forward speeds with two reverse—all helicals for quietness.

Another important newcomer to the retail delivery field is Mack's new \$675 "Retailer." It has a 120½-in wheelbase, cab-over-engine, and all modern features including sealed beam headlights.

At the heavy end of the truck range, Sterling offers a new dual worm-drive chassis with a 60,000-lb. rating, while at the other end, Bantam has a "Super 4" line of commercial cars with 20% more power, rubber-mounted engine. Bantam is merchandising the line also for delivery and pick-up of passenger cars, offering a tow-bar as special equipment.

G.M.C., standing pat on its truck line which is rolling off the assembly lines at the near-record rate of well over 300 per day, now offers double-reduction 2-speed axles for greater flexibility when used in flat as well as hilly country.

Busy on Trucks for French

Studebaker also has not announced changes, though prices have been adjusted downwards on some models. With an order of better than 2,500 trucks for France alone, its lines are running full blast, and the company may find it necessary to farm out part of its war contract to fill domestic orders.

In the trailer field, Fruehauf is featuring, at the Chicago Truck Show, two new lightweight trailer models, the "Flyer" for city delivery of bulky packages, and the "Aerovan" for heavier-duty long-distance hauling. Light weight has been secured through the use of electric spot-welded special alloy steels. Chassis are of airplane structure stampings, paneling of stainless steel. The "Aerovan" saves 1,500 lb. of dead load over the comparable previous Fruehauf model.

Highway, which is also showing its trailers at Chicago, is featuring its new "Freightmaster," with streamlined body,

More profitable business

Your business becomes more profitable when you decrease the unit cost of selling.

For many a product, advertising has done that. But it must be properly applied, with the right marketing background.

A competent advertising agency knows when, where, and how.

Newell-Emmett
COMPANY

Advertising Counsel

40 EAST 34th ST., NEW YORK



MADE SAFE WITH
Stewart IRON AND WIRE
FENCES

Protect your property against sabotage, invasion, and trespass by surrounding your buildings NOW with a Stewart Fence, the heaviest and strongest Chain Link Wire Fence manufactured. Stewart Fences provide continuous, unfailing protection by virtually placing a watchman on every foot of your property lines. Stewart facilities make available immediate shipment and installation service. Investigate NOW—phone the factory trained representative near you, or write direct.

Sales and erection offices in all principal cities.

"World's Greatest Fence Builders Since 1886"

THE STEWART IRON WORKS CO., Inc.
414 STEWART BLOCK, CINCINNATI, OHIO

including even concealed door hinges.

Gar Wood has a new load-packer for garbage which compresses it as loaded, permitting the carrying of heavier loads in the same space. Water squeezed out drains into a tank below. The dry garbage is said to be easier to burn.

Thornton Tandem Company, builders of Ford, Chevrolet, and other multiple-drive conversion units has an automatic locking differential in its 1940 models, offers a self-contained packaged unit for Chevrolet and Ford conversions; plans to add similar units for Dodge, I.H.C., G.M.C., etc.

Marmon Herrington is showing all-wheel-drive conversions for Fords at Chicago. Hercules has added three new diesel engines of the flat-type for cab-over-engine installation.

Radio Program Test

Commissioners Walker and Thompson of the Federal Communications Commission's network committee are understood to be desirous of testing FCC's power to force broadcasting stations to accept programs of wide public interest. FCC is also worried about a "network monopoly." Both issues come up with the controversy over how receptive NBC and CBS affiliates were to the recent World's Series on which mutual Broadcasting System had exclusive rights. FCC has sent a questionnaire to the nation's 700 radio stations asking if any influence was used by other chains to persuade them not to handle Mutual's "exclusive." Washington doubts FCC power to force stations to broadcast any programs, no matter how popular.

Ice Cream Truck Sprouts Wings



When Cincinnati recently threatened to put through an ordinance banning tractor-trailer trucks from downtown streets, the Matthew Frechtling Ice Cream Co. put "wings" on its tractor-trailer route truck—vertical metal panels covering the space be-

tween the rear of the tractor and the front end of the trailer. These wings not only make a unit out of the tractor-trailer, but now look like possibilities for reducing wind resistance, thus cutting fuel consumption on long hauls.

LABOR & MANAGEMENT

INDUSTRIAL RELATIONS • PERSONNEL • EXECUTIVE POLICY

New Hope in Detroit

Chrysler-C.I.O. settlement seems more likely as election returns breed new spirit.

AFTER TAKING TIME OUT this week for a city election, which saw the anti-C.I.O. mayor defeated, Detroit turned again to consideration of its labor problems. Indications at midweek were that the prolonged shutdown of the big Chrysler automotive enterprises was near an end.

The majority of Detroit citizens seemed to feel that progress had been made in the election of Edward J. Jeffries, Jr., former city council president, to the mayor's job. Whereas the incumbent, Richard W. Reading, had maintained a stiff-necked attitude toward the C.I.O., which he suspected of communistic tendencies, Jeffries had asserted that "as long as we have employers we must have employees," had manifested a more sympathetic attitude toward labor.

In this spirit, Chrysler and the United Automobile Workers (C.I.O.) were closer together after the election than before. There still remained a good deal of ground to cover, but the union had dropped its demand for a closed shop, and the negotiations were free to proceed to the difficult task of setting a production-measuring method acceptable to both labor and management.

In the background, top C.I.O. direc-

tors were closer in touch with the situation than they previously had been; local union leaders consulted frequently with John Lewis and with Philip Murray. Murray was ready to go from Pittsburgh to Detroit to take over direction of the union's side of the conference, should the parleys bog down again. It seemed certain that eventual settlement would include a joint study of work schedules and establish machinery for adjusting the grievances which occasioned the recent slow-downs of production (BW—Oct 28 '39, p.46).

A.F.L. Opens Drive

Out to match campaign of C.I.O.; strike by longshoremen affects nine shipping lines.

QUICKENING INTEREST along the labor front this week signalized the anticipated announcement of a national organizing drive by the American Federation of Labor. When William Green's statement hit the front pages, to the effect that some 800 central labor councils in as many cities and towns would survey the unorganized areas, the national business community realized that the wartime talk of increased production and profits had indeed been overheard by labor. As forecast in BUSINESS WEEK (Oct 21 '39, p.40), the A.F.L. was going all the way to equal or outdo the organizing drive of C.I.O.

A big part of the campaign will be directed toward procuring greater benefits where A.F.L. already is organized. First move came this week on the eastern seaboard, where the International Longshoremen's Association struck nine coastal shipping lines with demands for more pay. The veteran A.F.L. dock workers declared that they would fight to the finish; so did the ship owners. Operators said that they were losing money, anyhow, and couldn't stand a raise in wages, but the longshoremen declared that shipping had been waxing fat on increased business and had bright prospects for still better times. Furthermore, the I.L.A. bluntly refused any federal government mediation.

N. M. U. Tries to Be Helpful

C.I.O. was not involved in the strike, save as an interested bystander. The National Maritime Union (C.I.O.) said that it was supporting the A.F.L. longshore action, but the latter replied that it didn't want any such help. Transport unions ashore, in New York and Boston, were affected by loss of work from the

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A Message TO THE STRIKING WORKERS OF THE CHRYSLER CORPORATION

From
ASSOCIATED CHRYSLER, DODGE, DE SOTO AND
PLYMOUTH DEALERS OF AMERICA

As the Chrysler Corporation has been closed since the strike began, the dealers have been unable to sell new cars. This has caused a serious financial loss to the dealers. The dealers are now in a position to sell used cars, but this is not a satisfactory solution. The dealers are now in a position to sell used cars, but this is not a satisfactory solution. The dealers are now in a position to sell used cars, but this is not a satisfactory solution.

ASSOCIATED CHRYSLER, DODGE, DE SOTO AND
PLYMOUTH DEALERS OF AMERICA

Chrysler dealers, estimated to have lost about \$120,000,000 worth of sales since the Detroit strike began, took a hand in the situation last week, appealed to workers, through Detroit papers, to settle the dispute.

docks, but the principal leader in this direction was the A.F.L. teamsters union, which gave passive approval to the I.L.A. action.

Closed Shop Statistics

Survey by government reveals that 3,000,000 workers are under such agreements.

THE CLOSED SHOP—that species of labor agreement by which all employees in a shop must belong to a designated union—jumped into the forefront of popular discussion this week. The immediate spur to national interest was a release from the Bureau of Labor Statistics in Washington, which revealed that 3,000,000 of the approximately 8,000,000 U. S. union members now were working in closed shops.

Biggest single block of such employees marches under the banners of the United Mine Workers (C.I.O.)—a union which has some 600,000 members under closed-shop contracts. The U.M.W. also is the leading beneficiary of the check-off, which is the systematic checking-off of union dues by the employer from the members' paychecks, with payment direct to the union treasury.

Other unions with many closed shop agreements are those in men's clothing (C.I.O.), women's clothing (independent), printing (A.F.L.), breweries (A.F.L.), fur and leather (C.I.O.), city transport (A.F.L. and C.I.O.), and many urban groups of construction workers (A.F.L.). In this week's labor news, in-

centially, the new agreement between 64 New York City milk distributors and the Brotherhood of Teamsters (A.F.L.) has an interesting aspect: The 15,000 union men get general raises in wage rates, and "the closed shop and check-off are continued as before."

Less common than the closed shop, the "preferential" shop clause is gaining ground, too. Flat glass factories, newspaper offices, longshoring, and maritime work are known for this type of agreement, whereby the union members are given preference over non-union workers in hiring, layoffs, and rehiring. Still a third type of agreement is the "union" shop, which is being sought by the United Automobile Workers in many current negotiations. The union shop is a closed-shop with a slight loophole for employer initiative—non-union workers can be hired, but they must join the union within a short, specified period.

Part Written, Part Understood

While all these kinds of formal agreements are being studied, the Bureau of Labor Statistics notes that "many union members work under conditions which approximate the closed shop but which are not formalized by written agreement." This is no secret to industrial relations men, who have noted the trend toward "part written, part understood" agreements in some union areas during

the past few years. Several companies in and around Detroit, for example, consult frequently with union leaders, off the record, to help them solve dues-collecting problems.

In steel manufacture, another new development shows signs of spreading. This is the signing of a unilateral statement of policy, by management, which says that the company believes mutual interests would best be served if all its employees were members of the union and that the management will help persuade the workers to join the union and to pay the dues. Some half a dozen firms now have taken this stand, and the initial results seem to be satisfactory to both sides.

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Your obligation to your stockholders and to your men goes a step further than just the purchase of Respirators.



First of all, be absolutely sure they are properly designed and constructed to give full protection under the conditions in which they are to be used. Secondly, make sure they are comfortable enough so that your men will wear them.

WILLSON has pioneered in the development of Respirators and maintains one of the best equipped laboratories in the country for scientific research and testing. Why not let WILLSON Safety Service check your safety equipment and problems? No obligation.

Style 200 Respirator shown in illustration is only one of many different types of Willson Respirators approved by The U. S. Bureau of Mines for Industrial use.



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Four Years of the National Labor Relations Board

	New Cases Handled	Workers Involved	Cases Closed	Withdrawn by Petitioner	Closed by Agreement	Dismissed Before Formal Action	Closed Other Ways	Strikes Handled	Strikes Averted	Strikes Settled	Elections
36 Months to October 1, 1938	17,367	4,081,191	13,470	3,482	7,173	2,092	723	1,838	628	1,386	1,506
October, 1938	706	59,400	594	172	277	117	28	48	19	36	111
November	518	76,425	535	136	247	93	59	47	15	37	57
December	585	67,592	480	146	234	58	42	31	5	24	88
January, 1939	483	150,966	528	156	240	61	71	47	4	29	50
February	533	141,729	412	114	207	54	37	46	8	35	51
March	551	284,738	583	168	255	93	67	47	9	29	80
April	601	114,886	514	135	242	78	59	38	5	27	63
May	589	68,634	611	146	300	114	51	81	21	73	46
June	533	77,970	534	171	243	77	43	34	22	23	52
July	521	262,995	562	139	263	99	61	96	5	89	36
August	521	53,497	584	195	267	76	46	58	11	51	87
September	441	75,443	567	141	249	129	48	46	21	35	79
48 Months to October 1, 1939	23,949	5,515,466	19,974	5,301	10,197	3,141	1,335	2,457	773	1,874	2,306

Source: National Labor Relations Board

Business Week

HAVING HANDLED 23,949 cases, involving 5,515,466 workers, the National Labor Relations Board called attention to its record this week. Some notable changes are evident since the board first went into action in October, 1935; one of the interesting developments is that emphasis has shifted from "unfair labor practices" to the holding of elections and certifying of collective bargaining agents.

A break-down study of the NLRB history reveals that about one-third of all cases have been dismissed by the board or withdrawn by the petitioners. About 12% have resulted in certifications of employee majorities, sometimes by elections (totaling 2,306 cases and 922,581 votes) and sometimes by acceptance of other proof of majorities.

The labor board's powers of per-

suasion seem to be relatively as strong as ever, inasmuch as the record for each year shows 94% of all cases closed by dismissal, agreement among parties concerned, or withdrawal of claims. The other 6%, or 1,335 cases, are the "battle" cases which provide the meat for discussion about Wagner Act amendment.

Another point of interest to employers is that very little use has been made of the opportunity afforded management to ask for employee elections if two or more labor groups are claiming representation rights. This avenue of action was opened by the board last summer, but has been little used. During last September, for example, 139 petitions were filed by employee groups, representing 44,426 workers, and only 3 petitions by employers, involving 235 workers.

plications for new charters for internationals, and review requests for appointment of national organizing committees.

(4) Study the mechanics of union organization, with a view to recommending necessary amalgamations or mergers, and subdividing large units where industrial trends indicate need of such action.

(5) Seek methods of establishing a system of universal transfer cards, so that C.I.O. members can move from one union to another without undue friction over initiation fees or other regulations.

The C.I.O. action is heartening to industrial relations observers who long have deplored the tendency of some unions to fight among themselves. The industrial-union resolution begins: "Orderly and constructive collective bargaining relationships with employers must not be disturbed as a result of any inter-union controversies."

In another way, too, the C.I.O. experiment may turn up a valuable pat-

tern. Having in mind that A.F.L. jurisdictional rows often run on for years, the industrial-union committee is ordered to adjudicate all problems brought before it within six months after submission. Up to now, the C.I.O. has been singularly free of inter-union disputes, but by preparing to handle them now the executive committee may be saving a lot of headaches.

LABOR ANGLES

1919—1939

CRIMINAL SYNDICALISM, the tag tacked onto I.W.W. during the riotous post-war labor roughhousing in 1919, came back into the Middle Western news last week. William Sentner of C.I.O.'s electrical union, leader in the Maytag Washing Machine strike (*BW—Jul23'38,p15*) was fined \$2,500 by Judge S. W. Cooper at Montezuma, Iowa, on a syndicalism charge. "I think you are honest in your beliefs," said the judge, "but they are erroneous." Sentner posted \$3,000 bond, pending an appeal to the state supreme court.

Andrews Looks Around

ELMER ANDREWS, exiled wage-hour administrator, probably won't take that indefinite RFC job that Jesse Jones hinted he could have. Andrews has had requests from 10 or 12 very big business outfits, thus far, to drop in and see if there is a spot where he would fit. Within the next couple of weeks he will announce a tieup with one of these, probably, and will join that group of good government men who have gone into private positions.

Any Day, Now

THAT FIVE-STAR, extra-special investigation of the National Labor Relations Board which BUSINESS WEEK was told would open "right after Labor Day" (*BW—Aug26'39,p45*) now is a couple of months late. What seems to have happened is this: The House committee sent out something like 60,000 questionnaires asking everybody to tell it something about the labor board; returns weren't so good and another big batch was sent out, this time to police chiefs and civic officials—instead of business men and labor unions. Lots of the questionnaires are still kicking around in various places (one local union in New York City had 14 under different names and addresses the other day, and the New York C.I.O. offices said they had received 43). A lot have been sent back, however—the A.F.L. and C.I.O. unions answer them religiously, and many business men returned the first ones they got—so it looks as if the committee would have enough to start talking about soon.

For C. I. O. Harmony

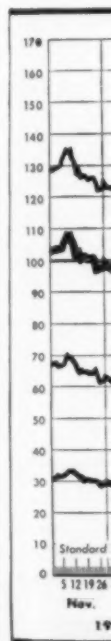
New Appeals Committee to compose internal differences and study organization problems.

THREE C.I.O. MEN began a new job this week. Their task—cut out for them by unanimous resolution of the recent convention in San Francisco—is to serve as C.I.O.'s Appeals Committee. Clinton S. Golden (steel union), James Matles (electrical manufacturing union), and John Brophy (Washington staff) make up the committee which is expected to:

(1) Act as a mediation committee to compose controversies between affiliated C.I.O. organizations after conferences between the disputants have failed.

(2) Recommend proper realignments of local unions with the various international unions, to the executive committee in Washington.

(3) Act as a clearing center for ap-



MONEY AND THE MARKETS

FINANCE · SECURITIES · COMMODITIES

Public Buys Cats and Dogs

Low-priced stocks get a whirl on theory that these companies have lots of idle capacity and can, therefore, find room for war orders.

ONE OF THE INTERESTING THINGS about the stock market for several days has been the effort of buyers to turn the New York exchange into a penny arcade. Stocks selling under \$5 a share have been making up a larger and larger number of the issues included in each day's most active ten.

Trading on Monday of this week was fairly typical. Only two stocks among the ten most active on the Big Board sold above \$10 a share, and one of those two for only \$12. Two of the active issues sold at \$1.50, and another for as little as \$2.50.

Experienced speculators always attach a certain significance to buying in the "cats and dogs." It usually comes after the market has had a rise of major importance. The rise, of course, attracts public attention, and the untutored among the public usually look for bargains. They espouse the common fallacy that the cheapness of a stock makes it a bargain. This ill-advised public buying often heralds the tail-end of a bull market.

In the present case, however, it is possible that some of the cheap stocks have more to recommend them than in a nor-

mal, peace-time market. For example, two of the active issues mentioned above are selling at low prices because the companies haven't had decent business for years, and, as a result, have been in persistent financial troubles. They are automobile companies, and the one thing they have plenty of is idle plant capacity. With the big motor car companies operating at a high rate, these depressed concerns are the type to which British and French agents might just possibly come and say:

"Here's a blueprint. See what you can do with it. If you can do the job at a price, there will be orders in it."

There's no certainty that will happen. Yet there's been a lot of money gambled on it in the last few days. But the wise boys will tell you it's no place for widows' and orphans' money—nor for that of a conservative business man.

Vote Outcome Cheers Business

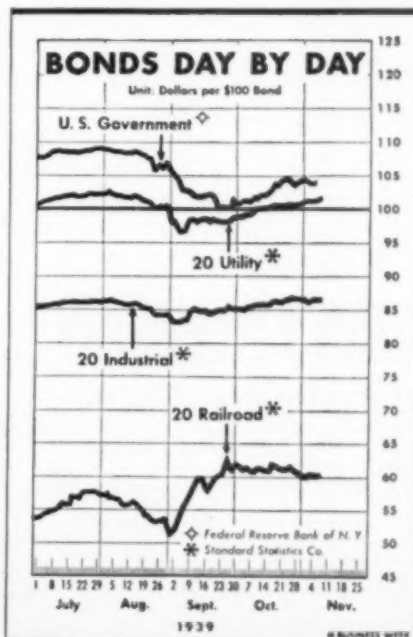
Aside from the foregoing, the stock market this week had as much conflicting news to act upon as at any time since the war began. On one side of the ledger

could be lined up such factors as satisfaction to business over the outcome of the elections, particularly in Ohio and California, the steel industry's ingot output at a new all-time peak, and the continuation of greatly improved profit showings. And on the other side might be arrayed the peace proposal put forward by Queen Wilhelmina of the Netherlands and King Leopold of Belgium, the uncertain outlook for American shipping as a result of the embargo repeal, and continued labor disturbances.

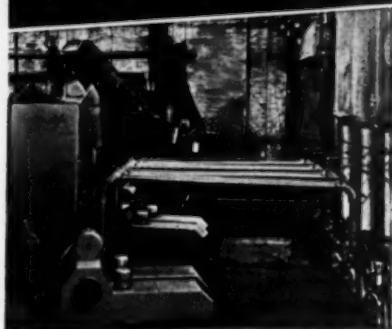
Test of Market Coming Up

Interest in bonds turned as much to next week's new offerings as to this week's market, for next week will see the first big test of the market since the start of the war. The Jersey Central Power & Light Co. is then expected to offer a \$42,225,000 issue of bonds and notes through a syndicate of 57 underwriters. This is a pretty big trial balloon, and if successful, it may bring on a number of other sizable offerings, which have been lying on the shelf because of the recent market unsettlement. Even officials of the Treasury will be watching the offering with interest, since the Treasury itself wants to raise 8500,000,000 in new money before the end of the year.

Commodities as a whole showed little change from last week. Wheat prices held up more on reports of continued drought than on any other factor. The metal markets held steady, with an improvement in copper buying noted since repeal of the embargo provisions of the neutrality law. And cotton prices showed little immediate response to the government's slightly smaller crop estimate. Present estimate is for 11,845,000 bales, against 11,928,000 a month earlier. This is about in line with trade predictions.



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Iron Fireman users
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Boiler room of S. F. Bowser & Company, Inc., Fort Wayne, Ind., manufacturers of liquid-control equipment. Coal is conveyed on streams of high-velocity air to four adjustable nozzles within front wall of boiler. Coal is distributed evenly over 108 square feet of grate area; fine particles burn in suspension. Boiler rating, 750 horsepower.

HOW many tons a year are you throwing away—sending up the stack in wasted B.t.u.'s? And how much money are you wasting by firing the more expensive grades and sizes of coal? Thousands of steam plant operators have found that they get more B.t.u.'s per fuel dollar with Iron Fireman firing... they obtain highest combustion efficiencies, with inexpensive grades and sizes of coal.

BOWSER PUMP
saves \$5,300 a year



E. GOETTE, Engineer.

Bowser Pump quit hand-firing expensive coals and installed two Iron Fireman dual-feed Pneumatic Spreaders. Fuel cost per thousand pounds of steam (adjusted for price change in coal market) dropped from 29.2c with hand-firing, to 18.3c with Iron Fireman firing—a reduction of 37%. Fuel and labor savings amount to \$5,300 a year.

E. Goette, Bowser plant engineer, reports: "With the stokers located 12 feet from the boiler front, there is good accessibility to the furnaces for inspection and cleaning of fires."

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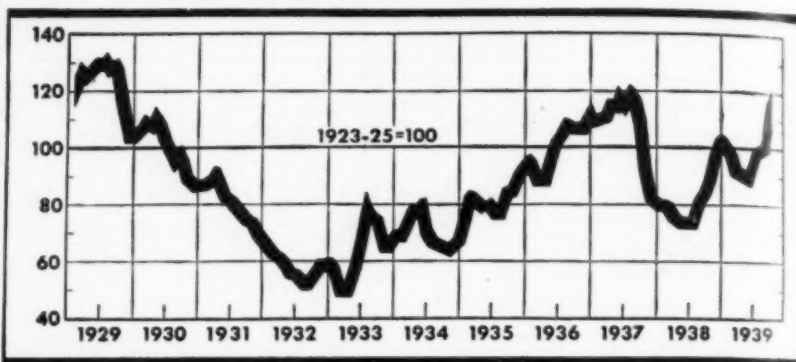
☐ See us about making a steam cost survey of our boiler plant, without expense to us.

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Monthly Index Up 5.2% in October



Despite some slackening after the war spurt of September, **BUSINESS WEEK's Monthly Index of Business Activity** rose to 121.3 in October from

115.3 the preceding month. This compares with 98.5 for October, 1938, and the 1937 high of 122.3, which was registered in July of that year.

Utilities Simplify

One obtains approval of reorganization plan, another acts to meet "death sentence."

TWO UTILITY PLANS went forward last week—one for reorganization of Utilities Power & Light Corp., the other for simplification of the Associated Gas & Electric system setup—and in each plan a new wrinkle was encountered.

After a federal judge in Chicago had reluctantly found it to be "fair, equitable, and feasible," the SEC last week approved Atlas Corp.'s plan for reorganization of its Utilities Power & Light; it had also approved the plan before submission to the court. It now remained for Utilities Power & Light to dig up the required percentage of assents to the plan from its preferred stock and bond holders, to have it finally confirmed in court on Nov. 20. The company intends to change from a utility holding to a utility investing company, upon confirmation of its plan.

No Equity for Them

The plan emerged after a long and bitter fight. What made it significant, however, was that it was the first case of a solvent company going through the wringer in which junior classes of stockholders were left completely in the cold. A valuation of the company's assets placed them at \$44,000,000 on July 31, not even sufficient to cover the debentures and preferred stock outstanding and the interest and dividend arrears accruing to them. On the basis of this, the court ruled that the three junior classes of stockholders had no equity in the company and also no chance of participating in the future earnings.

On the same day the Utilities Power & Light plan was approved, the Asso-

ciated Gas & Electric system dropped another major segment of its plan of simplification into the lap of the SEC. Under this plan, the top holding company would be eliminated, and the intermediate company would head up the system. Stockholders of the top company would exchange their holdings for shares in the intermediate. This, too, was a new wrinkle in utilities' efforts to meet "death sentence" requirements.

When the public utility holding company act of 1935 first hove into view, officers and directors of the United Corp. resigned their position with utility affiliates, so that United would be considered an investing and not a holding company, thus would not become subject to the act's provisions. Again this year, to preserve its investing company status, United sold some of its utility holdings and broadened its portfolio to include industrial shares as well. North American Co., on the other hand, simplified its corporate setup by dissolving its intermediate holding company, North American Edison Co., early this year.

Thus, three utility holding companies have undertaken three contrasting means in trying to conform with the highly involved Section 11 (e) of the holding company act. One was to eliminate a top holding company; another, to liquidate the intermediate holding company; the third, to turn into an investing company.

FINANCIAL ANGLES

Gold Is Where You Find It

THOSE STUDENTS of federal finance seeking the Federal Reserve Bank of New York's daily reports on incoming gold no longer will find them. Neither will they find its weekly reports any more. Recently, the bank decided to abandon

reporting engagements of gold abroad, lest, en route to the United States, the gold be swiped by sea raiders. Subsequently it ceased publishing its weekly reports as well, the official reason being that the bank is not a primary source of such information. However, figures on gold imports are still obtainable—weekly from the Department of Commerce, which publishes each Friday arrivals of gold for the preceding week, and daily in the Treasury statement, from which gold acquisitions can be computed by comparing changes in total gold assets.

New Mode in Financing

A NEW DEPARTURE in financing municipal low-rental housing projects this week was undertaken when eleven city housing authorities offered directly to investors \$50,000,000 in six months notes. As a feeler, the Syracuse, N. Y., housing authority first tried out the scheme two months ago, and found it good; it was able to float a \$1,000,000 issue of nine-months notes at an interest cost of only 0.47%. This week's offerings, however, constituted the first large scale test of the method, which was announced last week by Nathan Strauss, administrator of the U.S. Housing Authority. Under the plan, local housing authorities will regularly offer these so-called Temporary Loan Notes, backed by a USHA guarantee, to investors on a competitive basis. The USHA figures these short term notes will be choice morsels for institutional investors seeking an outlet for their surplus funds. In addition, it estimates that local housing authorities will thus save up to 2% in construction costs. And, finally, the method postpones the time when the Treasury will have to sell some more USHA long-term notes.

Silk Market Shambles

THAT PERSISTENT silk muddle makes tough going for traders and analysts of the market. Life is complicated by the high percentage of error which creeps into official statistics. There are wide variations of opinion as to how much silk the Japanese will use during the country's war boom. For example: three current reports diverge by more than 100,000 bales on probable Japanese production this season. One goes as low as 705,000 bales and another as high as 816,000. Then, just to complete the dilemma, there is the imponderable of how much of the silk market synthetics will steal in the 1939-40 season. There was an unexpected rise in United States silk consumption to 41,588 bales against 36,869 in September. With four months of the season gone, estimates on the 12 months' use in the United States vary from 360,000 to 400,000 bales. These many contradictions could easily account for recent jittery markets in raw silk. And, on top of everything else, there are reports from Japan of efforts to curb public speculation in silk.



CUTTING out Paper Dolls?

Separating perforated pieces of paper may be comedy to some folks—but it's tragedy to Bill Miller. Bill is the manager of the shipping department, but he spends hours every week tearing stamp sheets into usable units. Bill doesn't trust anybody but himself to handle the postage stock. And the firm pays a department head's salary for an office boy job!

These separated stamps must be counted every night, and put in the safe. Somebody must take cash to the postoffice every other day to replenish the supply.

Too bad somebody doesn't tell Bill Miller about the Pitney-Bowes Postage Meter. Then he could stop being an office boy, stop worrying...

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Metered Mail need not wait for facing, postmarking, cancelling in the postoffice; gets away faster.

The Postage Meter saves money for the firm, lets the shipping department manager be a manager—and not a watchdog! It saves time and postage for small offices, too! Ask the nearest office of The Postage Meter Co. for a demonstration.



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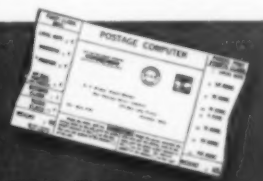
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export technique was vague, authentic information was hard to get. Today, America is geared properly for this business.

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BUSINESS ABROAD

FOREIGN TRADE • INTERNATIONAL AFFAIRS • FOREIGN INDUSTRY

Nazis Win or Lose in Six Months

That is judgment of many sober observers in Berlin. Military confidence waning after realization that Stalin holds whip hand over Reich's destiny.

BERLIN (Uncensored*)—Germany must win the war in six months, or she is lost. This is the opinion of a good many sober observers in Berlin, though there are many well-informed people who are more optimistic.

All agree that Germany probably has the edge on the Allies at the beginning of the war as far as organized man power and military strength are concerned. While enemies are far "richer," the Nazis are organized to make the most of what materials they have and to utilize whatever they may be able to secure quickly from southeastern Europe. But in a "war of nerves," Germany is at a disadvantage. Morale is low; war on the large scale that is inevitable on the Western Front is dreaded; loss to Stalin of valuable trade influence and prestige in the Baltic states has undermined Hitler's popularity with a large section of the public.

There are other disturbing factors. Germany's transition to a "war economy" was accomplished smoothly because peacetime regimentation had gone so far that there were few changes left to be instituted. But rationing is already being carried out so drastically that housewives are compelled to spend three and four hours a day getting in their supplies. Whole cities along the French frontier have been evacuated and residents forced to leave their homes on a few hours' notice. Even light industries are moving en masse from the war zone to interior districts that are considered more safe.

Reich Had Plenty of Practice

Two months after the outbreak of war, Germans are taking stock of their situation. The "dress rehearsal" of the armed forces in Poland was most successful. The defects which showed up when the army moved into Austria, and later into Czechoslovakia, have been corrected. The air force has the big advantage over the Allies of having been trained in the practical school of the Spanish civil war. But beyond this, most Germans believe that they will quickly lose their aviation advantage over the Allies, now that both Britain and France are getting into mass

production of armaments and the United States is preparing to fill huge European orders.

Economically, the Nazis have some advantages as well as many disadvantages. Counterbalancing the huge empire resources of the British and French, and offsetting their ability to buy in many neutral markets with large gold reserves accumulated in preparation for the war, is the tight totalitarian organization of the Nazis. The Germans are probably right when they assert that—with the food resources of Scandinavia, Poland, and southeastern Europe at their disposal—they cannot actually be starved out, especially when consumption is drastically rationed from the outset.

Biggest supply problems are iron ore,

motor fuel, and cotton. The German steel industry is dependent on imports for more than 70% of its iron ore supplies. Half of these ordinarily have come from Sweden, and the balance from France, the French colonies, Brazil and Newfoundland. Swedish ore is carried via the Baltic, which the German navy controlled unquestionably until Stalin was allowed to grab air and naval bases in the little Baltic states. Since then, Germany has been at the mercy of the Russians. The Soviets' submarines (and they are known to have a reasonably large number of them based at Leningrad) make it possible for Stalin to blackmail Germany for more booty on threat of cutting off Swedish ore. Speedy development of the new low-grade ore fields in Germany can help meet a part of the deficit caused by the loss of the French ores, but these probably can't be developed fast enough to meet all demands.

The Eastern "Führer" Wins

In private conversations, Germans admit frankly that "Russia has won the war in the East." The Germans realize that the Russians can have no desire to see Germany defeat Britain and France decisively. Standing with 2,000,000 men on Germany's poorly defended eastern frontier, Stalin can always veto at a moment's notice any action that Hitler might choose to take in the West.

The loss of Hitler's prestige in the ranks of his own party as a consequence of his cynical political bargaining with the Soviets should not be underestimated. There were and are Germans for whom "anti-bolshevism" is not merely an empty slogan for propaganda purposes. For them the thought is almost unbearable that their Nazi leaders have delivered over to Stalin stretches of territory which have more than strategic value. The hurried evacuation of all Germans from the Baltic states has made a terrible impression in Germany.

The drastic rationing of foodstuffs and consumer goods introduced five days before the actual start of the war with Poland has been interpreted by some foreign observers as a sign of Germany's desperate economic condition. This is incorrect. What actually happened was that the Nazis resolved to be prepared for a long war. More than this, rations have been so small during these first months of war that insiders insist that the food authorities are actually continuing to accumulate reserves for the future.

If the War Becomes Active —

The German retail trade is suffering terribly under the rationing system. Turn-over is estimated at not much more than one-third what it was a year ago, and costs have risen because of the complicated manipulations required for the sale of even the smallest quantities of goods.

As long as active fighting does not break out in the West, Germany can meet

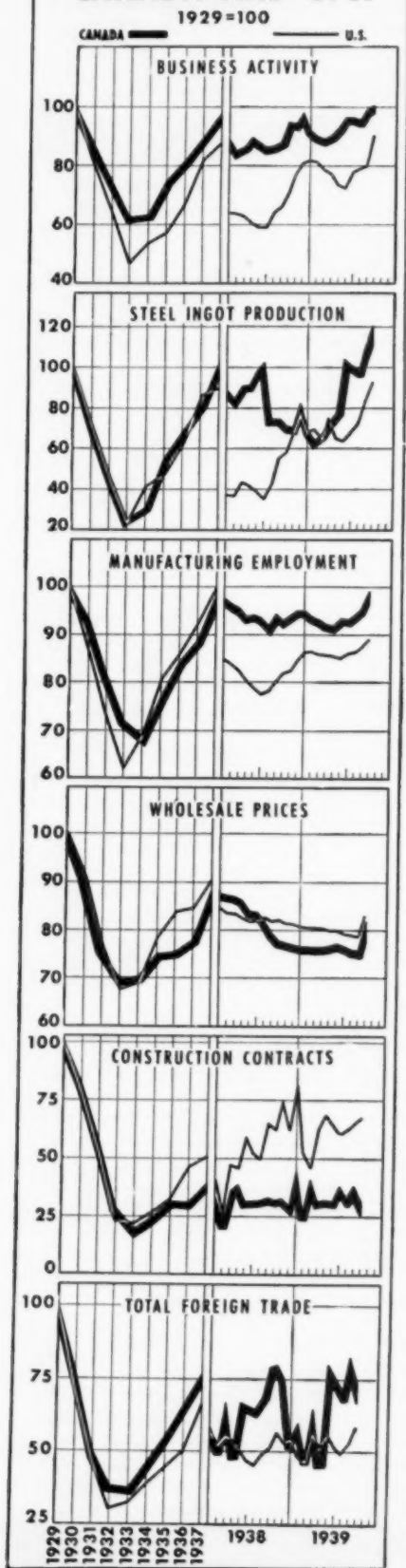
Change of Plans



Gerald Brophy, counsel, and W. H. Coverdale, president of American Export Airlines, were up before the Civil Aeronautics Authority this week with a new application for a license to run a transatlantic air transport service. The neutrality act makes it necessary for the line to change its proposed European base from Marseille to Rome, with stops at Bermuda, Horta, Lisbon and Valencia.

* Through special arrangement by Business Week's European staff, supplementing the service of its regular Berlin correspondent.

TREND OF BUSINESS CANADA AND U. S.



domestic demand and maintain exports, at least to neighboring countries to the south and east. But in a major war, Germany can't hold out for long without some quick victories which will assure new supplies of such raw materials as oil and iron ore. The Baltic concessions to Stalin, and the attitude of the Kremlin toward any German advance in the Balkans without large compensating grants to the Russians, make Germany's future more uncertain than at any time in the last three years of bloodless aggression.

Respite for Canada

Business settling down for winter, although rush for grain storage is still on.

OTTAWA (*Business Week Bureau*)—With the fourth largest wheat crop in their history, and with Britain still holding off its large-scale buying of war stocks, Canadians in their frantic search for storage facilities this week were chartering every available grain boat at the head of the lakes. For 9¢ a bu. they were able to book winter storage and cover delivery at Montreal next spring. Though a few straggling iron ore boats are still heading into Duluth for one more load to deliver down the lakes before the freezeup, owners of lake vessels generally are beginning to be a little nervous about getting back to winter moorings. It has been a busy and profitable season for everyone.

Business all over the Dominion is buttoning up for the winter. November activity is leveling off after the two months' boom stimulated by the outbreak of war and the rush to lay in extra supplies of everything. Forward buying by consumers, retailers, wholesalers, and to a considerable extent by manufacturers is believed to have passed its peak. Depleted inventories have been restored. Except for urgently required war equipment, production has caught up with current requirements, and there is an assured supply of all raw materials. Though heavy future buying is definitely letting up, there are no signs of any serious contraction from present activity levels. Business is simply stopping to catch its breath.

Outlook Spurs Heavy Industry

Canadian factories are operating at an average of 85% of capacity. Two-thirds of the country's industries have enjoyed the wartime pickup. Construction has slumped tremendously, and electrical equipment companies are disappointed over the announcement that the Canadian Broadcasting Corp. is suspending all plans temporarily for the enlargement of its stations and studios.

Brightest business outlook is in the heavy industry centers which are feverishly tooling up for Allied war business,

At Sorel, north of Montreal, Marine Industries, Ltd., is being expanded from a busy but moderate-sized tugboat and dredging business into one of the largest arms producing units in the Dominion. Schneider-Creusot, No. 1 armament producer in France, is behind the expansion, but both the British and the French have placed large orders for 2.5-lb. field guns, and French workmen are busy in new sections of the plant training Canadians to build gun carriages, tanks, airplane engines, and munitions.

Since the lifting of the arms embargo in the United States, there has been intensive activity around the British war buying mission offices in both Montreal and in Ottawa. Col. J. H. M. Greenly, who heads the British mission, will direct the new branch office now being established in New York. First rush of business is likely to go to the United States and will be for completed planes and engines. At the same time, tools will be bought south of the border and rushed to shops which have already been spotted by the military engineers as prospective key units in the great new munitions industry which will be developed in Canada as quickly as possible.

Each province is jealously guarding its claim to a fair share of the new war business. British Columbia this week installed a provincial agent at Ottawa whose business it will be to see that his province gets a fair share of war orders from both the Canadian government and the British purchasing missions. Other provinces are expected to emulate this scheme.

A Slice for the Nazis

Export surplus from Soviet section of Poland will be available if Berlin can pay for it.

Moscow (*Cable*)—First signs of effective Russo-German economic cooperation turned up this week.

Moscow is apparently going to play ball with the Germans to the extent that any export surplus out of Russia's section of the Polish spoils will be made available to the Reich.

For the present, most of the railroads are being left on the old Polish gauge, which is narrower than the Russian gauge but the same as the German. Because of this, Russia can turn over to Germany full responsibility for handling transport in and out of the region.

Grain and petroleum are the biggest export items. The wheat crop this year was excellent. Polish oil wells are now yielding 1,000 tons of oil a day. Before the end of the year, production will be pushed to half a million tons, according to plans of Soviet engineers recently sent to modernize and enlarge operations. The surplus will all be offered to Germany, if Berlin can pay for it.

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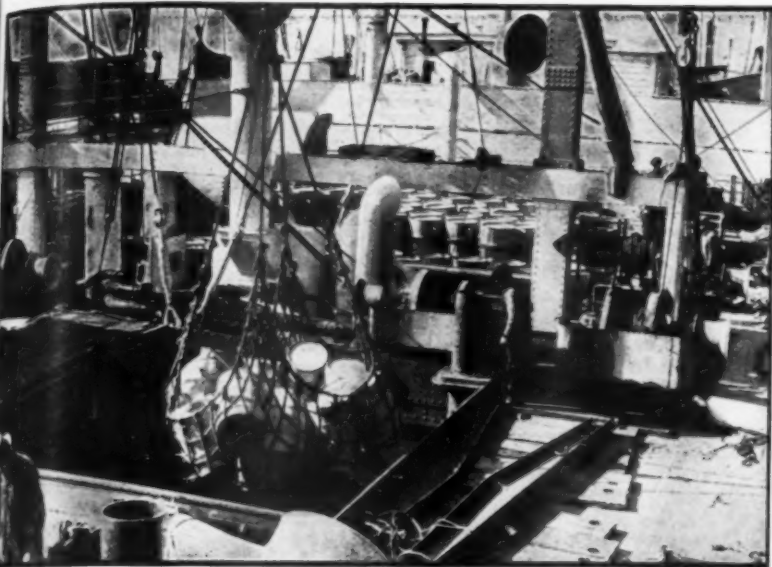
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The President Roosevelt, here shown taking on a shipment of high-test gasoline was one of three boats which loaded up on the last day before the neutrality act was passed last week,

hoping to sail before the deadline. Only one small freighter made a getaway. The Roosevelt is still in New York, one of the shipping industry's new problem children.

WAR BUSINESS

REGULATIONS • WAR ORDERS • TRADE CONDITIONS

World Beats Path to U. S. Market

About \$500,000,000 in war orders expected before rush subsidies. French more active than British so far. Manufacturers overloaded with business.

MANUFACTURERS with brief cases under their arms formed a line outside of Room 626 in the French Building in Rockefeller Center, New York, one day early this week. The French war orders mission was buying, and they were after some of the business. And since No. 626 is only a tiny office with an equally small waiting room, which French engineers were also using for interviews, executives awaited their turn in the long public hallway.

With the neutrality legislation settled, the whole world is rushing into our market for the things it needs in a hurry. Actual volume of business placed in the last week is not enormous. Authorities think it will run to about \$500,000,000 before the first rush is over. But everyone is hurrying to place his business because American manufacturers are already so loaded with orders in many cases that they can't promise delivery in less than three to six months. Whether or not there is to be a major offensive on the Western Front soon, everyone, in-

cluding the neighboring neutrals, is getting set for it.

So far, the French have been far more active than the British in this market. A month ago, the French placed their first large orders for trucks and horses. This week, Major de Rochefort turned up in Chicago accompanied by a number of French cavalry officers to buy horses for the French army. Members of his party later visited the horse and mule markets of East St. Louis, Ill., and Kansas City.

In Washington, the permanent airplane buying division of the French mission went ahead with plans which were carefully worked out to the last detail even while the neutrality legislation was still being debated. Pratt & Whitney, the engine division of United Aircraft, and Curtiss-Wright, the other big American engine manufacturing firm, are to receive advance payments totaling \$5,000,000 against future shipments so that the companies can go ahead at once with

plant expansions to handle a rush of French orders. Enlarged capacity is necessary if the two companies are to handle booming foreign business in addition to their big orders from the United States government.

The flurry of activity in Room 626 had nothing to do with these airplanes. The French are still making feverish efforts to build up home production and a special section of the French mission in this country is buying only machinery and parts for expansion of plants in France. This section of the commission is headed by Jacques Maillet, chief engineer of the French Air Ministry. In the few weeks

War Sales Systematized

WASHINGTON authorities believe foreign governments will place at least half a billion dollars of war orders in this country in the next few months, in addition to the \$1,000,000,000 of expanded arms buying by our own government. This was the reason for several moves this week to put war buying on a more orderly basis.

The Administration stepped into the picture with a new interdepartmental committee (which includes representatives from every major government department) to assist foreign buyers in placing their orders where they will interfere least with our own enlarged defense program. The committee is headed by Col. Charles Hines, secretary of the Munitions Board, and is functioning in cooperation with the War Department. With full details of the government's industrial mobilization plan at its disposal, it knows exactly what 10,000 key industries in this country are prepared to produce, about how fast an order can be turned out, and where additional capacity is immediately available.

England has set up its official buying mission in this country, in charge of Arthur B. Purvis. Headquarters will be at the British Consulate General, 25 Broadway, New York. French buying missions are working at top speed at headquarters in the French Building, Rockefeller Center, New York. M. Garreau-Dombasle, Commercial Counselor of the French Embassy, is titular head of the office, but the mission is divided into sections, each with a specialized chief direct from Paris. The French are feverishly contacting producers of all kinds of equipment. Société Generale, well known French commercial bank, is establishing an agency in New York to handle the financing of this business.

The War Week in Business

At Home

Regulations—United States' policy in Europe's 1939 war was clarified in three fundamental ways last week: (1) revision of the Neutrality Act instituted the new cash-and-carry policy on exports to combatants; (2) the President's supplementary proclamation prohibited American vessels from entering ports lying between the North coast of Spain and Bergen, Norway (including Ireland and the Shetland Islands); and (3) declarations issued under the law by Secretary of State Cordell Hull prohibited American citizens from traveling on belligerent ships in this designated combat zone, forbade American merchant ships to carry arms, and reiterated the restrictions imposed Sept. 4 on passports for United States citizens traveling into war zones.

Mail—An air service between Lisbon and Paris has been initiated by the French government to expedite air mail deliveries and passenger transfer from the Pan American transatlantic flying boats.

Postmaster General James A. Farley has announced suspension of parcel post service to Germany, Czechoslovakia, and Danzig—"owing to disruption of transportation."

War Orders—Part of a \$1,200,000 order for 36 engines for Imperial Airways has been shipped, following repeal of the arms embargo; also, some arms orders have been placed (page 55). Thompson Automatic Arms Corp. has received a \$750,000 French order for sub-machine guns and parts. Veteran American pilots are supposed to have been approached to fly war planes to England—for \$4,000 a trip.

It is rumored British and French buying missions may turn now to small plants that can be quickly converted to the production of needed goods and guarantee quick delivery on orders soon to be placed.

Trade Conditions—Most new South American business is on a cash or sight draft basis and many exporters, fearful of an early dollar exchange shortage, have shortened credits to 60 days or even less. Inquiries on the credit status of foreign customers jumped 17% in October over September, according to one credit bureau. In September there were 47% more inquiries than in August. Only 8% of the October requests for information concerned European customers, while 80% related to Latin American business houses.

Meanwhile, the Administration continued to press for settlements on defaulted Latin American bonds so that Congress may be encouraged to enlarge the Export-Import Bank's credits or vote new funds to aid Southern trade.

Undersecretary of Commerce Edward J. Noble estimated that \$250,000,000 worth of Latin American orders

were "lying around," but said that we would have to increase our purchases to snare them. As a result of his conference with Latin American representatives and American retailers, the National Retail Dry Goods Association will send out a questionnaire to members asking for information on goods which they formerly got from Europe but cannot get now because of the war and which might be obtainable from Latin America. Display offices in New York City, where Latin America could exhibit its wares and the buyers could demonstrate their exact needs, were proposed.

On Nov. 15 a permanent committee of representatives of all the Latin American countries will convene in Washington. Proposed at the Lima Pan American conference last December, the committee will consider trade matters as well as all problems arising from the war situation.

Exports to England of trucks, ambulances, and fire engines are not what had been anticipated. British buyers are asking foreign suppliers for price reductions, pointing out that the pound has been deflated.

Shipping—Holland-America's flagship, the Nieuw Amsterdam, will be taken off the Bermuda run after completing her fourth disappointing trip.

The Spanish Transatlantic Line has resumed service smashed in 1936 by the civil war. One liner has sailed for Havana and New York from Bilbao, another is being refurbished in its former refuge port, Istanbul.

In the gulf ports about 10,000 bales of cotton were stranded when American ships cancelled sailings to Europe.

—And Abroad

Great Britain—The British prize court has held its first war session. More than 560,000 tons of contraband and at least three German ships (no official figures have been released) are on the block.

Unlimited borrowing powers have been granted to the Chancellor of the Exchequer by the House of Commons. Loans will be financed in part by National Savings Certificates which are designed particularly for small investors. The Ministry of Supply has raised the price of steel \$4 a ton. Discount rate of the Bank of England, raised to 4% when war broke out, has been reduced to 2% again.

Australia's Prime Minister R. G. Menzies has announced that his government will make an unconditional advance of \$4,000,000 to Australian wheat growers against next spring's crop. Growers demand more, feeling the grant insufficient to cover production costs.

Uruguay has sold England a \$3,450,000 meat order—12,000 tons of beef, 9,000 tons of mutton.

France—A permanent economic committee has been appointed to guide

France's war-time economy. A Franco-British trade-union committee has been appointed to promote the cooperation of organized labor in the two countries.

Germany—Meat rations have been increased .132 lb. per person per week for the next four months by the Reich Food Ministry. More butter, rice, and eggs may be purchased and, for the first time since the war started, a German may buy .22 lb. of chocolate each week.

German nationals in the Ukraine and White Russia will be shifted to Germany and Russians living in Germany's part of Poland will be sent west according to a repatriation pact just signed by Russia and Germany.

Germany's first public war loan, a Reich railway loan of 500,000,000 marks (about \$200,000,000), has been taken up by the public.

The Berlin-Moscow air line, which was discontinued in 1936, may be re-established. It is rumored that negotiations will begin shortly since German envoys and specialists are annoyed by the lengthy rail journey.

Both Swiss and German economic missions are in Bulgaria's capital. The Swiss hold about 25% of the foreign investments in Bulgaria, but trade between the countries is small. The Germans are anxious to check the move for a neutral bloc inspired by the Allies and Turkey and by Italy's quest for a larger sphere of economic influence. Berlin is reported to be making almost unbelievable offers of oil and other valuable war supplies for Bulgaria's trade and friendship. Meanwhile, German citizens in Turkey have been warned by consuls that evacuation may be ordered at any time.

Canada—The Canadian coal and coke industry will be licensed after Dec. 1 by the Wartime Prices and Trade Board. Britain will buy Canada's surplus lead and zinc through the British Ministry of Supply. This deal is designed to avoid war-inflated prices. It is reported the lead and zinc contract prices are below long-term averages, but sufficient to allow producers a working profit. There are indications that Canadian wheat will soon be sold to England at a set price.

Canada's navy has been increased by about 40 commercial vessels which will be used as minesweepers, patrol, or escort boats.

Japan—The Manchurian soy bean industry has been placed under supervision of the Manchukuo Staple Products Co. Rice in Japan is currently quoted at \$2.07 a bushel, 30% above the price before the invasion of China. Tokyo will back war risk insurance for shipping which Japanese underwriters have been issuing since Nov. 3. Next March the Japanese Diet will be presented with a bill to raise the fiduciary limit on the Japanese note issue 500,000,000 yen above the present 2,200,000,000 limit.

that he has been here he has been placing orders at the rate of almost \$2,000,000 a week, and this is likely to continue for another two or three months. Contracts have already been signed with more than a dozen companies, and the mission is trying to contact as quickly as possible several hundred others which may be able to fill special machine orders quickly.

Equipment Buying in Prospect

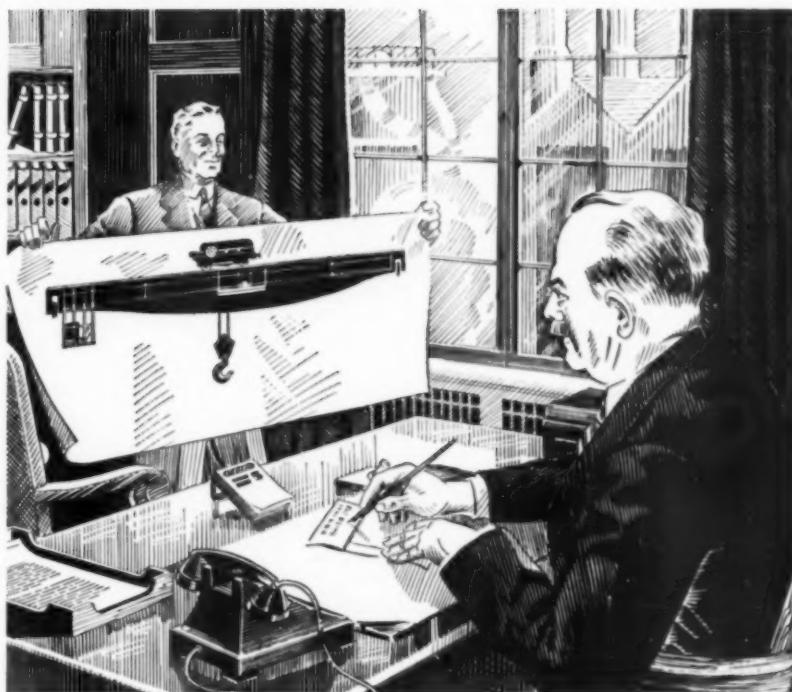
British buying still has not extended in any important volume beyond the field of airplanes and machine tools, but with the appointment of Arthur B. Purvis as purchasing agent in the United States, activity is expected to pick up quickly. Purvis is experienced (he bought in this country during the last war) and the British and Canadians have completed their coordination plans so that both know what they must have from this country and what Canada will be able to turn out at home. British equipment purchases are likely to be large in the next three months, but by spring Canada should be in shape to turn out guns and shells in quantities large enough to meet many of Britain's demands. The British mission placed orders in the last few days for shells with Massey-Harris (farm equipment manufacturer), Toronto, and Babcock & Wilcox, Galt, Ontario.

Sweden, Belgium, and Finland are reported in the market for 200 airplanes each, and the Dutch may buy more heavy bombers. Foreign orders for hospital supplies will require 30 months of filling unless capacity is rapidly expanded. Both Canada and Britain are preparing to place orders for trucks and ammunition carriers.

Ships May Be Sold to British

The United States shipping upset caused by the shutdown of services to combat regions in Europe may yet be partially eased by the transfer of some of the ships to foreign registry, but there are shipping authorities who believe that some of the vessels are more likely to be sold to the Canadians or British to handle deliveries across the North Atlantic. With the Maritime Commission placing newer and faster vessels in the service just as fast as they can be turned out at the yards, some of the lines would welcome the chance of getting rid of a part of their old tonnage, even at comparatively reasonable prices. Other ships probably will be transferred to South American and Far Eastern runs.

Meanwhile, between 8,000 and 9,000 American seamen are threatened with the loss of their jobs on the 130 vessels which can no longer ply their regular runs from American ports to combat zones in Europe. The United States, Black Diamond, Oriole, America France, American Hampton Roads, and American Pacific Lines are marking time until their fate is determined in Washington and in their home offices.



What every executive should know • • before he OK's a crane order

All cranes look pretty much alike. But "under the skin" they're vastly different. Some clank, grind, and screech as they carry their load—indicating excessive wear that will require maintenance and frequent replacement of the worn parts.

Whiting cranes are designed for smooth, quiet operation. They have efficient, precision-made herringbone gears that outlast conventional spur gears two to one. Instead of the customary sleeve bearings, Whiting cranes use heavy-duty roller bearings that permit faster starting and reduce power consumption. Roller bearings have longer life, too, and need only occasional greasing. Furthermore, by accurately maintaining gears in perfect alignment, they cut down on gear wear considerably.



Roller Bearings

Wheel life is increased in Whiting cranes by using steel wheels instead of the conventional cast iron type. The bridge drive wheels have a tapered tread to prevent binding and wear on the flanges. These and many other features make Whiting cranes so quiet and efficient—capable of giving long years of trouble-free service. Write, Whiting Corp., 15661 Lathrop Ave., Harvey, Ill. In Canada: Whiting Corp. (Canada) Ltd., Toronto.



Herringbone Gears

HOW TO WRITE a Traveling Crane Specification

Tells how to order a crane to fit your needs. Mailed free to executives.



Builders of quality cranes for over 50 years

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WAR FLASHES

Council Aids Shippers

THE NATIONAL Foreign Trade Council's transportation committee is a brand new aid to distressed shippers confronted with war-time transportation problems. Besides scrutinizing general problems, with group action in mind, the committee will also act as a liaison between shippers and the government, railway and shipping lines, banks and underwriters. A major proportion of the committee's 10 members are export or traffic managers for large corporations with overseas trade divisions.

Fox Farmers Fearful

SILVER FOX farmers, anticipating that Europe and Canada will market between 500,000 and 600,000 fox pelts here this fall, are writing their congressmen. As a direct result of the war, which has knocked the bottom out of the fur trade abroad, there is a threat that about twice the United States' annual production may be dumped on our market this winter.

Navy Program Outlined

THE HOUSE COMMITTEE ON Naval Affairs is working on a \$1,300,000,000 naval authorization bill to submit to Congress in January, probably on the first day of the new session. The huge program, higher by \$400,000,000 than previous estimates (*BW—Nov. 4, 1939, p. 46*), calls for 95 more fighting ships and an extra 2,395 planes. Navy tonnage would be increased 25% with 3 new aircraft carriers, 8 cruisers, 52 destroyers, and 32 submarines. In 1944, the American navy would have 15 battleships (8 are under construction), 59 cruisers, 11 aircraft carriers, 173 destroyers, and 87 submarines—all on the sunny side of the age limits laid down by naval experts. To facilitate the program, the bill would repeal existing requirements that 50% of naval shipping be constructed in Navy yards, and would permit the Navy to advance 30% of the cost of a ship to a contractor. Besides the fighting planes, 36 lighter-than-air ships are proposed.

Asks Sailors' Projects

CONGRESS may give special cash aid to ship operators who have been forced to lay up their ships for the duration of the war under the Neutrality Act. Also, a war risk insurance bill, which covers sailors as well as the hulks, may be passed. Meanwhile, Joe Curran, president of the National Maritime Union, has asked President Roosevelt for severance pay and works projects for the 8,000 to 10,000 seamen he estimates will be laid off. Last week, his union reports, 1,000 seamen were beached in the port of New York alone.

THE TRADING POST

Figures

BUSINESS WEEK recently reported that, because of the war, some industries have stopped publishing certain figures on orders, stocks, production and other vital statistics. That's too bad. I hope that some means can be found by which to continue the release of such information.

One of the chief arguments of the economic planners, the boys that would like to run American business from Washington, is that private enterprise must plan in the dark, without sufficient basic data on what is happening over the entire business front. Hence the guesswork that leads to economic dislocation. Let us run the show, they say, and we'll know at all times the relation between supply and demand, sales and inventories, production and capacity. Thus we can keep the whole economy in nice balance.

Right now, there is talk in Washington of nation-wide inventories by the Department of Commerce at every stage of production and distribution. Where necessary, the TNEC might invoke its subpoena power to get the data.

Business leaders have expressed the hope that government action to control prices might be averted, in view of the more widespread knowledge these days of stocks, orders and other data that can help check hysterical buying and stabilize prices.

That's why it is unfortunate to have any curtailment of basic data just when we could use more. For if business should find itself going off the deep end for lack of information, it might well be playing into the hands of the economic planners and inviting even more widespread and rigorous governmental regulation.

Veterans of Industry

THE OTHER NIGHT in Worcester, Mass., I was privileged to sit in at an exceptionally interesting party. More than 800 men and women, employees of Worcester industries, sat down to dinner and an evening of entertainment as the guests of their 52 employers. But they were not there just because their bosses liked the color of their hair.

They were there as a matter of right. For the Industrial Bureau of the Worcester Chamber of Commerce was sponsoring a Dinner for Veteran Employees, designed to honor those who had served 35 years or more in Worcester industries. And it was a real party. So real that I respect the Worcester industrialists will be willing to repeat this pioneer venture perhaps a larger scale.

Each of the veterans was there as guest of his own company, and with each company group sat the "brass-hats" of

the firm—their brass-hats having been parked on the shelf for the evening. So it was a mass meeting of family parties, making a grand family party for Worcester industry as a whole.

Fifty of the honor guests had more than a half-century apiece to their credit, while five had records of more than 60 years. Top man of all was sturdy Tom Coonan of the Crompton & Knowles Loom Works, with 68 working years in the bag and still going strong as a tool-maker for his outfit. I got to thinking about that "men-over-forty" problem. They don't seem to be worrying about it up in Worcester.

The hosts, too, did themselves proud. John F. Tinsley, president of Crompton & Knowles, was toastmaster and in addition to the officials of the Chamber of Commerce and of the various host companies, the guests of honor were greeted by Mayor Bennett and Gov. Saltonstall. City and Commonwealth thus joined with industry to honor the men and women who make the wheels go round. And when I left, about 10:30 p.m., the boys and girls were still going to town with the entertainers who were rounding out the party.

As I climbed into Lower 10, I got to wondering how many other cities could muster a like company to put on a similar party. A New England town, of course, does have certain advantages. It has the benefit of an early start; for New England cradles many of our industries. It is significant that in Worcester there are as many as 52 companies that can contribute their quotas of 35-year employees. Then, too, New England towns have a high proportion of skilled craftsmanship. That makes for long service.

But despite all that, I have a hunch that many other industrial cities could round up just as interesting groups of men and women with fine records of faithful service—not so many for as long as 35 years, perhaps—but enough to justify recognition by their communities.

Many companies now recognize within their own family circles the long service of their employees. That is good. But there is additional value in the public recognition of sustained devotion to the day's work. It is a reminder that the doing of that day's work involves more than a job—a matter of employers and employees. It is an essential of good citizenship and all that this means to the community in which the industries and the people must dwell in mutual dependence.

That is the true significance of Worcester's party. And that significance should be appreciated—both by employers and employees—far beyond the boundaries of any one city.

W.T.C.

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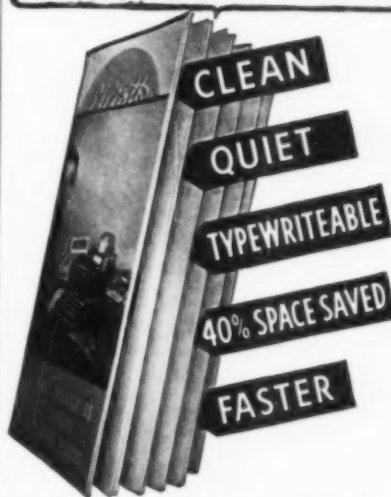
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BUSINESS WEEK

With Which Is Combined The Magazine of Business

November 11, 1939

The Question Is Answered

ONE MONTH AGO (*BW—Oct 7 '39, p. 52*), James H. McGraw, Jr., president of the McGraw-Hill Publishing Co., wrote for *BUSINESS WEEK* and for all the other McGraw-Hill publications an editorial entitled, "Business Stands Against War."

That editorial, widely distributed and widely reprinted to reach far beyond the million readers of McGraw-Hill magazines, carried to the American people the message brought to this company's editorial offices from all over the nation: "The millions of us who, since the World War 25 years ago, have devoted our efforts and energies to creating and improving that which we know today as American industry and business, are convinced that the destiny of this country can be wrought only in peace." It put into words for the general public to read what McGraw-Hill editors have found business men saying everywhere: "We cannot and *must* not stand aside and watch even the little progress we have made since that war sacrificed to the pestilence of another world conflict."

How accurately this editorial voiced the convictions and represented the stand of American business men has now been proved by an almost overwhelming response in telegrams and letters from all ranks of those in every branch of big and little business. That flood of endorsement is still coming in and still awaits final analysis but, almost without exception, it all boils down to, "You spoke for us."

After this there can be no room in American thinking for the old suspicion, nailed in the editorial, "that business and industry, in a blind greed for profits, may involve us in the conflict." The letters say all too clearly that, if we should be drawn into the war by other forces, business would go in with full knowledge, born of experience, that it would have to pay the cost by a lowered standard of business living, shared inevitably by all who draw its wages, shared ultimately by even those who might seem to profit directly and immediately.

THE ONLY QUESTION left for the future is what cause American business men would find sufficient to justify such a sacrifice—the question that their Canadian neighbors already have faced and answered. The evidence of these letters places squarely on our political leaders the burden of proving such justification.

Meanwhile, it may be hoped that business will be allowed a respite not only from the question so emphatically answered through this editorial, but also from the many other questions regarding the Euro-

pean conflict that have interrupted its own questioning of critical domestic policies. Perhaps the climax was reached this week with the release of findings on "war opinions" by Opinion Research Corp. which has been doing a Gallup job (Dr. Robinson, head of this firm, was formerly associated with Dr. Gallup) on representative business executives.

This survey found that 62% of these executives believed the United States could stay out of the war indefinitely, 27% felt we should be drawn in if the war lasted one or two years, 11% if the war lasted three years or longer. Something else to think about is the belief expressed by 56% that American participation in the war would leave us with increased governmental supervision over business, by 22% that we would come out with a dictatorship. And such a conviction may have a bearing on the fact that, in this apparently pro-Ally country, 75% of the executives queried said they would still oppose America's entering the war even if within a few months it appeared likely that the Allies were losing.

Dr. ROBINSON summarizes a long list of findings on business men's "war opinions" with the statement that "from a cold business standpoint, they believe that in the long run war is unprofitable; they believe that war would be a vehicle for extension of government control over business after re-establishment of peace; they have the same horror of war as other Americans."

He might even have said "a little *more* horror" since his findings show that 98% of the business men polled wanted the United States to stay out of war and want to keep American troops out of France, whereas recent Gallup polls of the general public have indicated a 95% opposition to our entry into war. "A little *more* horror" certainly is the implication of the letters that have reached this office—and that for good business reasons as well as for good humanitarian reasons.

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